Business Entrepreneurship

Classes Nine-Ten

NATIONAL CURRICULUM AND TEXTBOOK BOARD, BANGLADESH

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Business Entrepreneurship

Classes Nine-Ten

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Preface

The aim of secondary education is to make the learners fit for entry into higher education by flourishing their latent talents and prospects with a view to building the nation with the spirit of the Language Movement and the Liberation War. To make the learners skilled and competent citizens of the country based on the economic, social, cultural and environmental settings is also an important issue of secondary education.

The textbooks of secondary level have been written and compiled according to the revised curriculum 2012 in accordance with the aims and objectives of National Education Policy-2010.Contents and presentations of the textbooks have been bselected according to the moral and humanistic values of Bengali tradition and culture and the spirit of Liberation War 1971 ensuring equal dignity for all irrespective of caste and creed of different religions and sex.

The present government is committed to ensure the successful implementation of Vision 2021. Honorable Prime Minister, Government of the People's Republic of Bangladesh, Sheikh Hasina expressed her firm determination to make the country free from illiteracy and instructed the concerned authority to give free textbooks to every student of the country. National Curriculum and Textbook Board started to distribute textbooks free of cost since 2010 according to her instruction.

The book Business Entrepreneurship for classes Nine-Ten is developed at the beginning of 21st century to change the demand and mindset of the students along with the changing span of time under revised curriculum.

Considering the challenges and commitments of 21st century and following the revised curriculum the textbook has been written. Recently the rational evaluation and tryout program has been completed to make correction and revision of the textbook. I hope the outcomes of the program will be reflected in this revised edition. We will continue our effort to make the next edition of this book more beautiful, decent and free from any types of errors.

I thank sincerely all for their intellectual labor who were involved in the process of revision, writing, editing, art and design of the textbook.

Prof. Narayan Chandra Saha
Chairman
National Curriculum and Textbook Board, Bangladesh

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CHAPTER ONE
Introduction to Business

The basic reason behind the emergence of business was the feeling of want of human beings. To meet up this want, men engaged themselves for earning a living through various economic activities. In fact, business evolved on the basis of economic activities and transactions. From this chapter we will be able to know the different aspects of business like its concept, origin, features, classification and business environment.

By the end of this chapter we will be able to

- describe the concept of business, its origin and its stages of development.
- explain business scope and features.
- describe different types of business.
- explain the importance of business.
- describe the concept and various categories of industry.
- explain concept of commerce and its classification.
- describe the concept of services and its various nature with examples.
- identify various elements of environment affecting business.

CONCEPTS OF BUSINESS

Mr. Asaduzzaman, a Business Studies teacher, came to his first class of Business Entrepreneurship of students of class nine. All the students cordially greeted him. After exchanging greetings, he asked an open question to all the students, "Among all of you, who has come from a business family?" One student replied that his father has a business of rice trading. Another student replied that his father has a Poultry Farm. One student said that his father owns a Pharmacy. Another one said that her mother has a Beauty Parlor. The teacher listened to every one carefully and said that Trading of Rice, Raising Poultry, Selling Medicine and operating Beauty Parlor; each of these represents an economic activities. All the economic activities of your guardians will be included in business if it is done for the purpose of earning a living and with the intention of making a profit.

Generally, economic activities with a view to making a profit are termed as business. Producing food, rearing poultry, cultivating vegetables etc. for the family members are not business. But, when a farmer cultivates paddy or grows vegetables to make a profit, it will be treated as business. But all the economic activities operated to make profit will be treated as business if it is done legally and in right ways.

Business has some other features which separate it from other professions. Goods or services related to business must have monetary value. Risk factors are another feature of business. Mainly, a business person makes investment to earn profit. However, he must have the feeling for services along with generating profit. Another significant feature of business is its sense of morality and social responsibility.

Activity-1 : Make a list of all the business operating around your House/School.	
• • • •	• • • •
Identify the Features of Business	
• • • •	• • • •

Origin and Evolution of Business

Over time, the scope of economic activities increase on the basis of human demand. As a result activities like hunting, producing crops and exchanging goods (barter system) started. But, exchanging goods or products could not meet up all the needs. Because of this, in place of barter system uses of coins of Gold/Silver (bullions), and later paper note was introduced as a medium of exchange. The evolution of business can be classified as Primitive age, Middle age and Modern age.

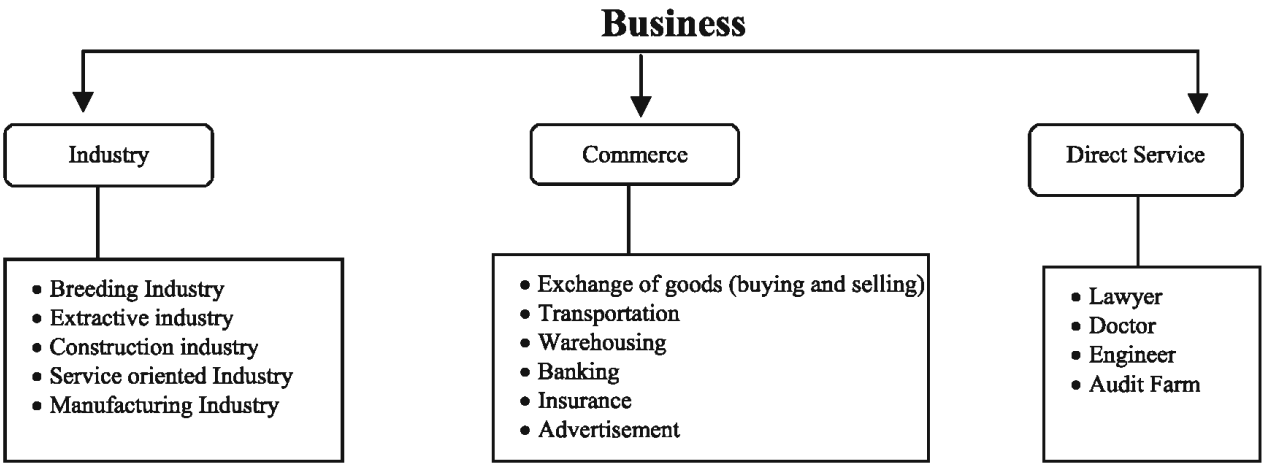
Steps of Business Evolution

Primitive Age	Middle Age	Modern Age
• Hunting • Fishing • Collecting fruits • Cultivation/ farming • Bartering	• Using scarce snail, shell, Kori and stones as medium of exchange • Using coins of metal like gold, silver etc. • Introduction of paper notes • Formation of market and towns • Establishment of business organization	• Industrial revolution • Development of Information and communication technology. • Spread of different industries • Introduction of large scale production and distribution process • Expansion of the business of Banking and Insurance • Introduction of ATM card • Introduction of Mobile banking

Scope and Classification of Business

Today's business is not limited to buying and selling goods only. Business is the combination of production of goods and services, exchanging of goods and other activities associated with it. Transportation, Insurance, Banking, Warehousing/Storing and Advertisement play significant role in exchanging products and goods. Modem business can be classified in the following three types:

- Industry
- Commerce
- Direct Services



Industry

Industry is considered as the carrier of production. Industry is the process in which natural resources are collected and turned into raw material. After that, finished goods are prepared by processing that raw material for human use. Industry is mainly divided into five categories:

- Genetic Industry: Products produced in this industry are used for further production. Example nursery
- Extractive Industry: Through this industry natural resources are collected from the enviorment such as earth, air and water. For example - mining.
- Construction Industry: Through this industry roads and highways, bridge, culvert etc are constructed
- Manufacturing Industry: In this type of Industry labour and machine are used to process raw material to make finished goods. Such as textile mills,
- Service Industry: This industry includes those economic activities which make life of individual's easy and comfortable. For example, production and distribution of Electricity, Gas, Banking and Health Services etc.

Activity – 02 : Four examples of each Industry

Genetic Industry	Extractive Industry	Construction Industry	Manufacturing Industry	Service Industry
• Nursery • • • •	• Mining • • • •	• Construction of Roads & Highways • • • •	• Garments Industry • • • •	• Electricity • • • •

Commerce

Commerce is the branch of business that distributes products and services. Commerce includes all the activities from delivering raw materials to the producer for the purpose of manufacturing or delivering goods and services to the consumer. While buying and selling various problems regarding finance, risk, place, time and information may arise. To remove these obstacles, the help of various departments of Commerce such as Transportation, Storage, Banking, Insurance, Distribution and Advertisement are needed. In modem age commerce is termed as Business to Business.

Roles of various elements of commerce is depicted in the following chart –

Various Constraints in Business	Elements of Business	Role
Possession	Exchange of goods and services	Removes the constraints of ownership
Placement	Transportation	Removes the constraints related to place
Timing	Storing	Removes the constraints related to time
Finance	Banking	Removes the constraints related to money
Risk factors	Insurance	Removes the risk factors
Information	Advertisement	Removes the obstacles related to information and circulation.

Direct Services

Various self employed professionals like doctor, lawyer, architect provide their specialized services in exchange of money as a mode of earnings. These sorts of activities are called direct services or profession, Such as chamber of a doctor, lawyer's chamber, Architect farm, Audit farm etc. Direct Services is a significant part of modem business.

Importance of Business

Though business is considered as economic activities, it contributes to the overall development of the socio-economic and political condition of a country. From small shops to large industries all have been set up with assessing the necessities of business. In the modern world the importance of business is infinite. The countries that are at the peak of development are developed in the sectors of business as well. Through business, proper utilization of resources is possible and it quickens the development of the economic condition of a country. Business contributes in savings. Thus formation of capital happens and national income increases. Business helps to create employment for the unemployed. Business develops the research and creative activities. Business helps to exchange cultural views in addition to exchange of goods and services. New cities and ports emerge for the sake of Business.

After passing SSC, Halima started a business with a small capital. Day by day her business grew a successful business in the area. At present, nearly 50 men and women work in her organization. Most of the workers are the homeless from river erosion. At the very beginning, Halima arranges to train them simply. They make clothes of artistic design, designe saree, three piece, Panjabee, fatua etc with needle and yarn and sale them. Halima decided to enlarge her business. But, she moved to village rather than city. She wishes to utilize the village women. Day by day, most of the women of her village got involved in her business. As a result, their economic condition started changing in addition to their changes of standard of living.

Activity-3: Write down your concept of importance of Business after reading the story of Halima's Business.

Importance of Business

-
-
-
-
-

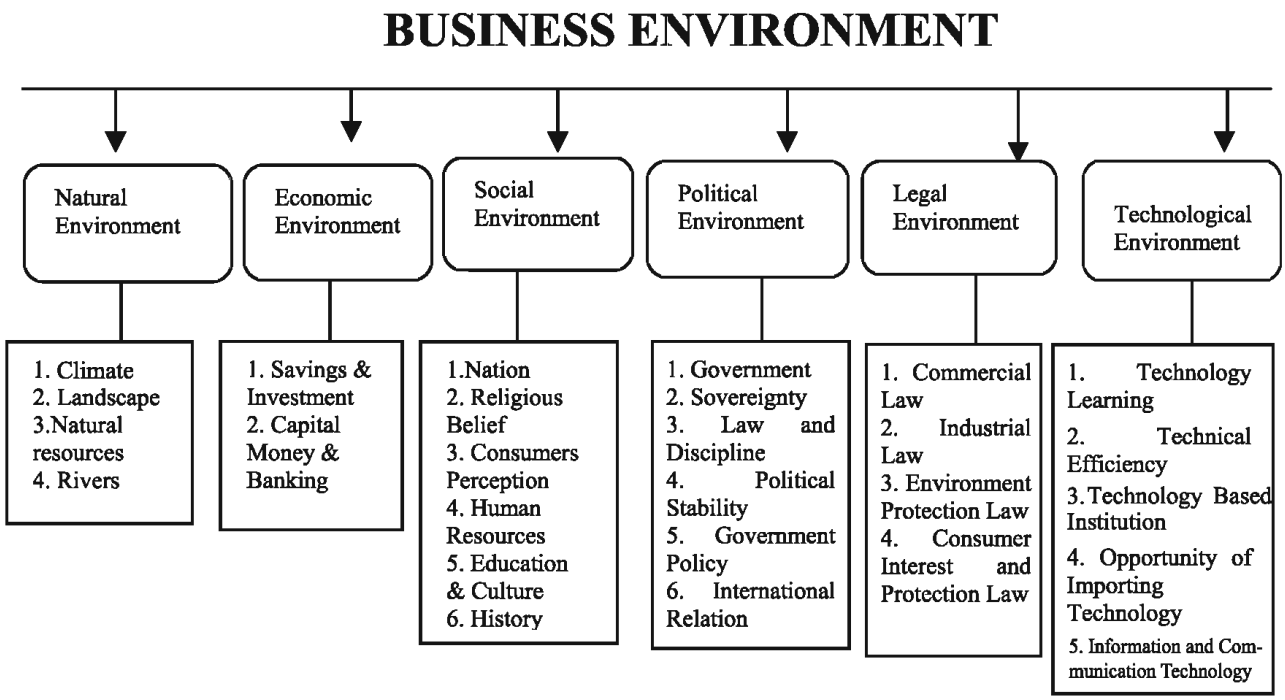
Business Environment:

Environment influences our life style, behavior, learning, culture, economy and business. Environment is the combination of all the elements influencing the lifestyle and economic activities of the people of a particular region. The elements include - Geography, Climate, Rivers, Mountains, Forests, Nationality, Religion, Education etc. Business environment thus can be defined as the combination of all the natural and artificial elements; directly or indirectly influencing the formation of business organization, its activities and development or deterioration. The development of Business condition of a certain place depends on the environment of business.

Chittagong port

Though there are various types of business environment, they are classified as the following six main categories:

- Natural Environment
- Economic Environment
- Political Environment
- Social Environment
- Legal Environment
- Technical Environment



Business Environment in Bangladesh

Bangladesh is an agro based developing country. But the contribution of Business to economy specifically industry and commerce has been increasing every year. Once upon a time, this area was famous worldwide for trade and commerce. Reputation of Sonargaon for making 'Moslin cloth' and Chittagong for ship building, spread all over the world. Moslin clothes made in Sonargaon and its adjacent areas used to be exported to countries in Europe and Africa. Our country has always been well known for its trade and commerce. Long ago, allured by the reputation of business of this region, the Arabs came here and established business relationship with our ancestors. Business in this area was so developed that it used to direly compete with the historically famous Tamrolipto and Shaptagram. The fame of Business of this region spread around Europe and beyond the countries of East. The Portuguese arrived here in 1600 AD and started business. They used to call Shaptagram as 'Porto Piqueno' or small port and Chittagong as 'Porto Grando' or big port. It is mentionable that Shaptagram of West Bengal was also famous as a commercial port. Business with Shaptagram used to be maintained through Bhagirathi river and Sharswati canal with Bay of Bengal. Our country was also famous for conducting Business through sea. Sea going ships were also built in this country. As per statement made by Chinese tourist Mr. Mahuyan, Roman Emperor did not like the Dock and Ship of Alexandria and had selected to make his ships from Chittagong perceiving its superiority of construction technique. There were a number of

ship building dockyards of efficient local architect at Halishahar and Patenga of Chittagong. The dockyards of that place then, buzzed with the sound of hammer. The then 'businessman' of this country owned hundreds of ship. Famous historian WW Hunter stated that those ship building dockyards maintained their reputation till 1875.

Sonargaon: the ancient capital of Bengal and famous center for trade and commerce

In this competitive world, it is difficult to sustain in business if the environmental elements are not supportive. The environmental elements of business are discussed below in context to Bangladesh:

Natural Element: Most of the elements of natural environment m Bangladesh are supportive for business. There is river in most of places in the country. As a result, raw materials for various agro based industry and consumer products can easily be grown. We have natural gas for business and industry. Existing Coal, Lime Stone, Hard Rock, and Crude Oil is helpful for establishing industry. Though our forest is decreasing, we are still rich in forest resources. Since we have numerous rivers and bounded by sea, suitable environment for development of fisheries industry also prevails here.

Economic Element: Prevailing effective money and banking system, contribution of agriculture and industry, savings and investment mentality of people and government assistance, work as a strong element for economic environment. In Bangladesh, some of the economic elements have strong base but most of them are very weak. Lack of sufficient capital, insufficient availability of banking facility for village people comparing to those of city dwellers, administrative complexity, harassment of middlemen and upward inflation are prevalent. If all these constraints are removed, Bangladesh can advance more rapidly for development in business.

Social Element: Nationality, religious belief, consumers perception, human resources, education and culture, science and technology most of these social

elements in Bangladesh are positive for expansion of business. From national, historical and cultural context people of this country are liberal, industrious and creative. In the past, people of this country marked their brilliance and industry by making Moslin cloth and building ship. Once Sonargaon was best in the world for trade, education, agriculture, literature, culture, industry and handicrafts. At present, Jamdani Saree making and ship building have been able to catch the eye of world. The future generation shall be able to show their brilliance in industry, commerce, trade research etc. if it is possible to break the system of memorization and make them competent and efficient by coming out from the present education system. Besides, use of technology should be emphasized in all sectors of trade and commerce.

Political Environment: Sound law and order situation and positive industry and trade policy, good relationship with neighboring countries and others help to expand business. On the other hand, political instability, frequent government changes, Hartal, strike and lack of business friendly industry and trade policy etc. are negative elements of political environment which hinder the development of industry and trade. Foreign investors also become disinterested to invest in such environment. The above mentioned elements of political environment in Bangladesh are not in a position of optimum level. By removing all the negative elements, such as labor unrest, strike and hartal etc. the political elements for business can be improved in Bangladesh.

Legal Elements: Though some of the elements of legal environment in Bangladesh are modem and up to date, most of them are primitive and old. The business development of our country can be improved by designing and strongly implementing law relating to preservation of environment and consumer law. Preparing industry and investment friendly law and through strong implementation of laws for anti Corruption, anti Nepotism, anti tolling preparing law friendly to industry and investment, can also be ensure to develop our business and trade.

Technological Environment: For the development of business and trade, it is necessary to have efficient labor, high tech machineries and technology. It is evident that the countries that are highly developed in science and technology are also developed in business. Technological development makes the production process easier. As a result, both quantity and quality of production also increase. In Bangladesh, most of the elements of technological environment are positive. Use of technology is increasing gradualy. in all sectors of Business.

Activity – 4: Give opinion about which of the environmental elements in your area are positive/negative for business	
Climate/Weather	
Electricity	
Land	
Gas	
Rivers	
Religious belief	
Consumers perception	
Communication system	
Education and culture	
Tradition	
Banking facilities	
Law and orders	

In conclusion, we can say that it is necessary to develop the environmental elements influential for business and industry. We all have to come forward along with government to make a supportive and positive environment for industry and trade.

EXERCISE

Multiple Choice Question

1. Uses of scarce snail and shell as a medium of exchange is the attribute of which era?

   a. Primitive b. Middle age

   c. Moghul Era d. Modern era.

2. Which port used to be called 'Porto Grando'?

   a. Chittagong b. Khulna

   c. Kolkata d. Shaptagram

3. Commerce helps to reach goods to the consumers through –

   i. removing constraints of placement

   ii. providing social assistance

   iii. removing constraints of monetary problem

which of the following is correct

a. i & ii
b. i & iii
c. ii & iii
d. i, ii & iii

Answer the question No. 4 & 5 after reading the following stem:

Shakila has a family nursery. They grow and sell various plants of flower and fruits. Soil of their house is suitable for growing and nurturing plants. Since the nursery is situated near a pond, water is also available. As a result, the quality of the plants from this nursery is very good.

4. The nursery of Shakila is what kind of industry?

a. Manufacturing
b. Genetic
c. Service
d. Construction

5. What is the main reason for better quality of the plants from Shakila's nursery?

a. Natural
b. Social
c. Economic
d. Cultural

Creative Question

1. Nafis, a student of class ten of Akhitara village. His father is a trained village doctor. Besides treatment, he also sells medicine of good quality. Though there is huge demand for various medicines in the village, he can not sell all kinds of medicine because of some limitations. Medical representatives can not supply the necessary medicines in time because of the lack of proper communication system. On the other hand, many medicines get damaged since there is no preservation system in the shop.

a. What is the main objective of the business?
b. What do you understand by industry? Give example.
c. What kind of business Nafis' father has? Explain
d. What is the main reason you think of Nafis' father's inability to supply medicine as per demand of the people of that area. Give reason for your answer.

2. Once, Bangladesh was famous all over the world for Business. Such a cloth in this country used to be made which had reputation among countries. The environment and humidity of Meghna and Shitalakhya river were suitable for making the yarn for this cloth. This was accompanied by the workers' cordial effort and creativity. If all the sectors associated with business environment can be developed, trade and commerce will develop as well and the lost glory of business will return.

a. For which cloth the fame of Bangladesh had spread around the world?

b. What do you understand by business environment? Explain

c. By developing which environment creativity of the above mentioned workers and labors is possible? Explain.

d. What elements of business environment you think are necessary to be developed for the development of Trade and Commerce in the country. Give reason far your answer.

CHAPTER TWO
Business Entrepreneurship and Entrepreneur

For the economic development of a country the role of entrepreneurship and entrepreneur is very important. The active participation of the entrepreneur is the basis of the economic affluence and development of the developed countries of the modem world. They are contributing through using the natural resources as well as human resources of the country along with their creativity. In a country like Bangladesh that has a huge population the role of entrepreneurship and entrepreneur in economic development and in creating employment is undeniable In this chapter we will know about the various aspects of Business entrepreneurship, importance of business entrepreneurship for socio economic development, features of a successful entrepreneur and details of removing constraints of entrepreneurship development.

After completing this chapter, we shall be able to

- Explain the concept and features of entrepreneurship and business entrepreneurship
- Differentiate between entrepreneurship and business entrepreneurship
- Describe the features and activities of business entrepreneurship
- Identify the attributes of a successful entrepreneur.
- Explain the importance of entrepreneurship in socio economic development of Bangladesh
- Relate between business entrepreneurship and risk
- Describe the development of positive environment for business entrepreneurship
- Identify the obstacles in Bangladesh for development of business entrepreneurship.
- Identify the ways to remove the obstacles in Bangladesh for development of business entrepreneurship.

Entrepreneurship and Business Entrepreneurship

In Your school, the Victory Day on 16th December is celebrated every year by arranging some kind of functions. The Victory day of this year is almost near to us. One of you has proposed that this year a drama can be staged. He also said that he will give all kinds of help regarding the staging of the play. Staging a play is an arduous and creative job. In this case, selection of drama, characters, place and time was fixed after discussion. One of you came forward with the idea of staging a play, this is one kind of entreprenership. In general sense any kind of work effort initiative can be termed as entrepreneurship. So, entrepreneurship can be on anything

One more example can be given- a kind hearted person is setting up a school for creating educational opportunity for the boys and girls of your area. He established the school from his own savings and collecting funds from other people. This is the result of his strong determination and entrepreneurship. In this way, all kinds of work of public welfare like establishing school, college, hospital and club etc. are the results of some one's entrepreneurship.

Any kind of business is the outcome of the initiative of an individual or a group. Business entrepreneurship is identifying the business concept, establishing the business and operating it successfully. In particular, Business entrepreneurship means setting up business with a view to making profit knowing the inherited risk of loss and successfully operating the business.

Story of Aminul

Mr. Aminul islam used to think about doing something different from his boyhood. He attended his family business of clothing after completion of degree from a local college. But he could not be satisfied with this business. He used to visit the market by the highway near his house. One day he realized that very often the vehicles stop here for simple repairing. Realizing the necessity of repairing, Aminul formed capital from his own saving and some borrowings and established a workshop. Since he did not have the expertise in this job, he undertook three month training from the local Youth Development Center. Initially the earning from the business was not mentionable. But, because of hard working, efficient service and honesty, reputation of his business spread around and income started to increase as well. Having benefitted from this business, he is now planning to set up a petrol pump at the adjacent area.

Mr. Aminul has taken risk to fulfill his desire and worked hard with strong determination. These effort is his business entrepreneurship.

The person who knowing the uncertainties of results, establishes business with strong determination and courage and runs the business successfully, is a Business entrepreneur or Industry Entrepreneur. Business entrepreneurship and business entrepreneur; these two words are closely related to each other. Business entrepreneur is he who attempts business entrepreneurship. Henry Ford of American Ford Company, Konoke Matsusita founder of Japanese electronic manufacturing company Matsusita were world famous entrepreneur. In Bangladesh famous entrepreneurs are Mr. Jahurul Islam, Ranoda Prashad Saha, Janab Ali, Samson H. Chowdhury. In fact, the owner of every industry is an entrepreneur. Form the biographies of the entrepreneurs from home and abroad, it can be seen that most of them started business in a smaller scale. With the help of strong mind set, hard work, perseverance, and work effort gradually they became owner of large industries.

Difference between entrepreneurship and business entrepreneurship:

Entrepreneurship can be for anything. But, business entrepreneurship is the investment of money and labor to earn profit knowing the presence of risk. For example, suppose you can make beautiful things from bamboo and cane. You tried to make a new kind of cane chair, this is your entrepreneurship. If you collect money and start a shop for making things of bamboo and cane and successfully run the business then it will be business entrepreneurship. The primary objective of business entrepreneurship is profit making and other entrepreneurship is for public welfare.

Activity 1: Find out which one of the following is entrepreneurship & which one is business entrepreneurship

1. Arranging a debating program	
2. Establishing and operating a photocopy shop.	
3. Establishing and operating business of toy manufacturing	
4. Effort to keep school clean	
5. Manufacturing leather goods and selling	
6. Arranging and operating cricket match	
7. Running business of Jewelry.	
8. Planting trees around the house	
9. Establishing and running the business of furniture made of steel	
10. Manufacturing food products	
11. Maintaining operation to earn profit	

Characteristics of Business Entrepreneurship

By analyzing the concept of business entrepreneurship the following characteristics and attributes are identified:

1. This is the work effort to establish business.Business entrepreneurship helps to successfully run all kinds of activities related to establishing a business.
2. Doing business knowing the existence of risk with a view to earning profit. Business entrepreneurship helps to assess the amount of risk properly and take the moderate risk as well.
3. The result of business entrepreneurship is a business organization. The meaning of this is that the concept of business entrepreneurship helps to execute the thoughts into reality.
4. Another outcome of business entrepreneurship is goods or service.
5. Running the business successfully
6. Creating employment for self. An entrepreneur can generate his own source of income through Business entrepreneurship.
7. Generate employment for others. Business entrepreneurship can generate employment for others along with the entrepreneur himself.
8. Making of new asset resources. Business entrepreneurship helps to develop human resources and the formation of capital.
9. In general, it helps to develop the overall economy of the country. Business entrepreneurship can contribute to other areas also besides income generation and solving unemployment problem of the country.
10. Taking social responsibility along with earning profit. Business entrepreneurship encourages the entrepreneur to participate in various development work of the society.

Qualities of a Business Entrepreneur

From the discussion of business entrepreneurship, some idea can be inferred /formed about the qualities of an entrepreneur. Some believe that the entrepreneurs are entrepreneur by born. This means that form the birth they inherit some qualities which help them to be famous and successful entrepreneur. At present days entrepreneurs can be groomed up through education, training and providing various opportunities. Main qualities of an entrepreneur are-

• Confidence • Independent mentality • Effort • Organizing capacity • Courage • Perseverance • Sensibility • Attentiveness • Flexibility	• Creativity • Inventing capacity • Ability to work hard • Ability to take risk • Ability to leadership • Ability to collect capital • Desire for success • Mentality of facing challenge • Mentality of taking lessons from failure

The entrepreneurs are capable to identify and utilize the prevailing economic opportunities in the country. They show their sign of efficiency in availing the facility from the government for industry development. They plan on the limited resources to achieve their desired goal and take effective steps to execute those plans. Successful entrepreneurs take well informed and planned decisions. They assess the constraints against execution of their plan and try to remove them beforehand. Capability of coping up with the change of environment and having influence on other people is also termed as special quality of an entrepreneur. They assess the risk, related to Business, carefully and take steps either to avoid or reduce that risk. Taking calculative risk is another characteristic of a successful entrepreneur. Making adjustment with the changed environment and desired goal is also a major characteristic of entrepreneurs.

Business risk is the uncertainties of earning profit form business. A successful, entrepreneur assesses the reasons of possible risk and their extent and takes preparation to face them beforehand. A successful entrepreneur has the quality of leadership. A successful entrepreneur accumulates capital, arranges financing for the organization and ensures their proper utilization in the business. He shows the efficiency in coordinating the general resources with the human resources of the company. He owns in deep knowledge of management. They have the up to date knowledge about coordinating with the technologies of ages. They innovate different production process and successfully implement them. They open new horizon for industrial revolution.

An entrepreneur enjoys dealing with challenging works. They provide untiring effort and sacrifice self comfort and luxury for achieving their business goal. They are so confident about their own decision that they continuously work to achieve their desired goal and keeps working until achieving the result. If they fail, they start again after analyzing the reason of their failure. Strong desire for achieving goal is a mentionable feature of their character. Real entrepreneur

acknowledge their fault and take lessons from them. Leaming from own experiences and experience of others, and application of those learning in work place is another special quality of their character. Successful entrepreneurs get satisfaction and pleasure from their success.

Importance of Business Entrepreneurship in Socio-Economic Development

Bangladesh is a developing Country. According to Bangladesh Economic Review-2010, 50% of our national income comes from service, 20% comes from agriculture and 30% comes from industry. Industrial sector plays a vital role in the development of any country. The development of all the sectors including industrial sector is possible through development of business entrepreneurship. Business entrepreneurship can contribute to our socio economic development in the following way:

- **Proper utilization of resources**

  Business entrepreneurship ensures the uses of natural resources and human resources of our country. Besides, increase of investment and proper utilization of resources are possible through establishing new industry.

- **Increase of national Income and Production**

  The national income increases through business entrepreneurship. As a result attaining government's target for national income becomes possible.

- **New employment generation**

  Entrepreneurs establish industry, operate and expand it along with government. As a result new employment generation becomes possible which plays a vital role to remove unemployment problem.

- **Development of Efficient Human Resources**

  Bangladesh is a populous country. This large population can become our asset. Because, a successful entrepreneur turns the inefficient people to efficient through engaging them in productive works.

- **Reduces Dependence on others**

  We can reduce dependence on others through business entrepreneurship. We can become economically self sufficient with proper utilization of business entrepreneurship.

Favorable Environment for Developing Business Entrepreneurship

If we look at the developed countries, then we will see that the main reason for their advancement is the positive environment for establishing business, operation and expansion. In our country we do not have deficiency in brilliance, mentality and efficiency. Our advancement is hindered only for the lack of positive environment. The following positive environment aspects are necessary for development of business entrepreneurship:

- **Developed Infrastructural Element**

  There are some necessary elements for operating business such as electricity, gas, communication etc. These elements are necessary for existence of positive environment for business entrepreneurship.

- **Government Assistance**

  With the help of Government, business entrepreneurship, of the country can grow more rapidly and be enriched. Various government decisions like tax rebate, supplying capital with little or without interest, etc. can make a positive environment for business entrepreneurship.

- **Socio-Economic Stability**

  Economic, Social and Political stability has a positive impact over creating positive business environment. But Economic, Social and Political instability create a negative impact on business entrepreneurship.

- **Supportive Law and Order Situation**

  Establishment and operation of business is easier, if the law and order situation of the country is positive. On the other hand negative law and order situation is a threat to business entrepreneurship and business operation.

- **Arrangement of Sufficient Capital**

  To successfully implement any kind of business entrepreneurship, sufficient capital is necessary. Due to the deficiency of capital, establishment and operation of business is not possible in most cases. In this regard, banking system of the country needs to be developed so that supply of capital to the new entrepreneurs is ensured.

- **Opportunity of Training**

  Some times correct steps can not be taken though opportunity prevails only because of lack of training. Through training positive environment for business can be created.

Activity 2: Identify the positive and negative elements for establishing and operating business in your area:

Environment	Positive/Negative	Reason
Infrastructural Facility		
Government Assistance		
Socio Economic Stability		
Law and Order Situation		
Supply of Sufficient Capital		
Opportunity of Training		
Others		

Relationship between Entrepreneurship & Risk

Ms. Ishta Akter, the owner of. Ishta Fashion House at Rapa Plaza in Dhaka is a successful entrepreneur. She helps her family and buys all the necessities with the income from this business. Mainly, she started this business as a hobby, but now she earns mentionable amount from the business. But, she realized that more profit can be earned from the business of mobile phone considering its demand. Her family members warned her that this business will be risky since she has no knowledge of the business. But, without paying any heed to these concerns of her family members, she took a bank loan. Besides, she took some money from her running business and decided on importing mobile phones from abroad.

Picture: Buying and selling in a shop

On the other hand her competitors imported mobiles at lower price. As a result she incurred huge loss. The main reason for such a failure was that she started the business without considering the risk associated with it.

There is always a relation that exists between business entrepreneurship and risk. In some business, there is less risk and in some cases risk is high. Business associated with high risks has higher possibility of profit as well. And the business having a lower risk has low return. For example, we can say that groceries have less risk, thus profit is also limited. On the other hand like the above mentioned case study if there is probability of high profit, there is also higher risk associated.

There are various types risk in business. The demand of a product or service can decline at any time. Profit can be reduced for that reason. This possibility is business risk. On the other hand it may happen that the businessman expected a certain profit from the business, but in reality he earned less profit. This is called monetary risk.

Establishing a business and running it properly is a risky job. Besides, with the help of business entrepreneurship earning more is also possible through investing in profitable ventures. But one has to keep in mind that a successful entrepreneur always assesses the associated risk beforehand and tries to reduce that and always takes tolerable risk. Excessive risk and over confidence may tum any plan into a disappointment.

Obstacles to Entrepreneurship Development in Bangladesh

Prevailing environment in Bangladesh for development of business entrepreneurship is not positive in all sectors. Because of some obstacles, business entrepreneurship development cannot reach to the optimum level in our country. The obstacles for business entrepreneurship development in Bangladesh are discussed below:

- **Lack of Proper Planning:** For entrepreneurship development disciplined planning that can be achieved gradually is needed. Though it is a matter of regret that in our country there is huge lack of such good planning.
- **More Interest towards Job:** People of our country are dependent on agriculture from ancient time. As a result we have less interest in industry and business. Traditional education system in our country make people more interested towards employment. For entrepreneurship development it is one of main obstacles.

- **Lack of Technical and Vocational Education:** General education system in our country is based on memorization and theory. For a long time this system has been continuing. Though there is separate technical and vocational education system, meritorious students are not interested in this. On the other hand, in general education there is no inclusion of technical and vocational education and the student fails to get a good idea about this. As result, habit does not grow for business entrepreneurship.
- **Lack of Campaign:** To implement any step, campaign plays a significant role. Lack of campaign for various private and public steps regarding business entrepreneurship development, lots of meritorious students from towns and villages, unemployed people remain ignorant about it. As a result, business entrepreneurship development activities remain unsuccessful.
- **Lack of Financing Arrangement:** There are many people who are interested in entrepreneurship but due to lack of sufficient capital and money they cannot step forward. Lack of sufficient fund arrangement is another important obstacle for entrepreneurship development.
- **Lack of Training:** Being an entrepreneur though is a by born quality, it is possible to make entrepreneur through proper training as well. But, in our country there is lack of training institutions for entrepreneurship development.
- **Political Instability:** Political instability is a major obstacle for the economic development and growth of any country. Because of political instability, law and order situation in the country deteriorates and business activities get obstructed. As a result, potential entrepreneurs mislay their interest for doing something new.

Ways to Overcome the Obstacles of Entrepreneurship Development in Bangladesh

In Bangladesh obstacles prevailing against development of business entrepreneurship can be removed by adopting the following steps:

- Effective and Realistic plans to be taken on
- Huge training activities to be implemented
- Massive campaign to be arranged all over the country

- Technical and Vocational education system to be expanded.
- Entrepreneurs are to be provided with investment advice.
- Supply of required capital to be arranged.
- Business Entrepreneurship subject is to be included in the secondary and higher secondary level on a large scale.
- Political stability needs to be ensured

If the above noted issues are ensured with certainty, in that case, hopefully the door of entrepreneurship development will open to a significant level.

EXERCISE

Multiple Choice Question

1. Which one of the following is **not** a quality of a business entrepreneur?
   a. Confidence b. Innovativeness
   c. Capability of arranging capital d. Mentality of avoiding Risk

2. The young generation can be made interested for business entrepreneurship-
   i. Through expanding technical and Vocational education
   ii. Huge campaign in the mass media
   iii. Introducing this as a mandatory course

   Which one of the following is correct-?
   a. i & ii b. i & iii
   c. ii & iii d. i, ii & iii

Give answer to the question No. 3 & 4 after reading the following paragraph:

Mr. Enayet took training on fish cultivation from the local Youth Training Center. He decided to start fish cultivation with his brother, in their family owned pond. But, some of their friends wanted to make them disinterested by telling them about the risk associated with it. They didn't pay any heed to it and they moved on with their plan.

3. What can you call Enayet's Fish Cultivation steps?
   a. Entrepreneurship b. Business Entrepreneurship
   c. Business d. Hobby

4. What quality of an entrepreneur is shown by Enayet in not listening to his friends about the risk?

a. Patience
b. Courage
c. Generosity
d. Mentality to take challenges

Creative question

1. Mr. Mehdad and Mr. Nuhash, two friends returned home after staying abroad for ten years. They are not willing to go back. Mehdad's area is famous for making pressed and puffed rice. For this reason, Mehdad united the efficient workers of his village and decided to make pressed and puffed rice on a large scale. For this, the workers also become solvent along with Mehdad. on the other hand, Nuhash established a Library and Museum in his house to keep the tradition of his village. The villagers are very happy with their activities.

a. Matsusita Company is from which country?

b. What do you understand by Business Entrepreneurship? Explain.

c. Establishing library and Museum in Nuhash's village is what type of concept? Explain.

d. "Mehdad's initiative can be pursued by others" – Evaluate this statement.

2. Kajol likes drawing from the very boyhood. He used to draw and write on banner for various occasions in school. The teachers and his friends praise him for his flawless and attractive works. After the exam, Kajol makes some poster and banner for an NGO. He gets some money for this in return. At this his interest grows more. But, Kajol could not take his activities to a larger scale because of some problems. Kajol dreams that one day the fame of his "Kajol Art" would spread beyond his locality.

a. How do you explain Entrepreneurship?

b. What is the difference between Entrepreneurship and Business Entrepreneurship?

c. What quality of entrepreneur do you indentify in the character Kajol? Explain.

d. A large number of Entrepreneurs can be developed in the country through motivating entrepreneurs like Kajol. Evaluate this in your own words.

CHAPTER THREE

Self-employment

Bangladesh is a developing country. According to Population Census and House Counting - 2011, estimated population of the country on 16th July, 2012 is 15 crore 25 lac 18 thousand 15. 80% of this total population lives in village. As per Economic Review 2011, contribution of agriculture in the national economy is 20%, Industrial Sector contributes 30% and service sector contributes 50%. But, the unemployment problem in the country is increasing day bay day because of high birth rate, under developed economy and less employment opportunity in comparison to high demand. Bureau of Statistics Report 2010 states that Bangladesh has 26 lac unemployed people. Number of total eligible worker in the country is 5 crore 67 lac. Young people comprise one third of this total eligible worker. This large number of work eligible unemployed population cannot be engaged in salaried job. Self-employment is necessary. We will learn about the various nature of Self-employment in this chapter.

After completing this chapter, we shall be able to

- Explain the concept of Self-employment
- Explain the relation between Self-employment and entrepreneurship
- Explain the necessity of training for Self-employment
- Select the suitable and profitable sectors for Self-employment considering the socio economic condition of Bangladesh.
- Describe the activities and importance of training institutions for Self- employment.
- Describe the ways for motivating Self-employment

Concept of Self-employment

Hafizur of Bhandaria-an example of defeating poverty through cultivation of bitter gourd.

After completing SSC, Mr. Hafizur Rahman started working in a ship. Low grade job but involves a lot of hard work. But, wage is very poor. He could hardly maintain his family. He was forced to resign from his job in the ship and come back to his village. He failed to join a pharmaceutical company after trying hard. He could not manage it since he did not have the BA pass certificate. But, industrious Hafizur was not demoralized. He started to think about doing something on the bare land beside his house. Having advice from the Upazila Agricultural Officer, he started growing Bitter Gourd (Korola) in that bare land. Now, he grows seven mound of Bitter Gourd per week. He is now solvent in maintaining a family of six members from the income from selling Bitter Gourd. Educated farmer Hafizur of village Matibhanga of Bhandaria Upazila at Pirojpur District has removed unemployment and has become self sufficient by growing Bitter Gourd and other vegetables. He has won against poverty.

Hafizur informed that he has cultivated vegetables in two acres of land. He has grown Hybrid Tia type of Bitter Gourd in half of this land. In rest of the land he has grown Indian Spinach (Pui Shak), String bean (Borboti), Wax Gourd (Kumra), Brinjal (Begoon), Snake Gourd (Chichinga), and Okra (Dherosh). He sells the Bitter Gourd to the local wholesaler at a rate of Taka 30 per kg. Wholesalers come to his land to buy the Bitter Gourd. He is hopeful to earn nearly Taka three lac this year. But, he spent fifty five thousand taka for growing this Bitter Gourd. Since, Hafizur is a motivated farmer, he has become successful. Mr. Narayan Chandra Majumder from the agricultural office says in this regard that many people have been motivated to grow vegetables seeing the success of Hafizur. This is a matter of inspiration for any unemployed youth.

The way Mr. Hafizur Rahman has managed to be employed by himself is called Self-employment. Now, we can understand that Self-employment is the process of earning a living by self-effort through using own capital or borrowed fund, own thinking, knowledge, intelligence and efficiency and taking minimum risk. Self-employment is a popular profession among various techniques for earning a living. Various retailing, repairing, radio and television, poultry farming, AP culture etc. are included in Self-employment.

Relationship between business entrepreneur and Self-employment is very close. In case of Self-employment, an individual starts working after thinking about the job. A Self-employed person becomes an entrepreneur, when he thinks about the employment of other people in the society along with his own employment and steps forward against risk and forms an organization. In that case all the entrepreneurs can be called Self-employed but all the Self-employed persons are not entrepreneur.

Activity 1: Find out ten Self employing professions near your school and house	
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Necessity of Self-employment

Sanjida Islam from Noakhali failed to mange a job after completing her honors degree from the local college. After remaining unemployed for a period, she decided to undertake training on horticulture from the local Youth Development Office. After completion of the training she grew flower in one acre of land. During the first season she earned fifty thousand taka. She became severely interested gaining the profit. Then, she went to Dhaka to join a daylong workshop on growing flower and visited a Flower Fair (Pushpo Mela). She

collected seeds of various local and foreign flowers from the flower fair and earned a lot of money from growing them. Because of hard work and proper utilization of opportunity her business grew very large within five years. Recently, she received the Best Women Entrepreneur Award from her district. While receiving the award she spoke about the following necessities of Self-employment to the present mass:

- Employment can be divided into three groups - Wages or Salary based Self-employment and Business.
- Public and private organizations are the main source for employment.
- The number of work eligible people increases. with increase of population.Employment opportunity does not increase comparing to the rate of demand for employment.
- In other profession earning opportunity is limited. But, in case of Self-employment, earning at the beginning is low and uncertain and possibility of earning afterwards in this profession is unlimited.
- At present, opportunity for self-employment has vastly increased. Social status for self employed people has increased comparing to the previous time.
- The major capital for self employment is self efficiency. It is comparatively easier to arrange capital required for raw materials and machineries.
- Self-employment is an independent profession. Since, one can do this from ones own home and land, extra cost can be avoided.
- The youth of the country engaged in self-employment can contribute to the development of the country rather engaging in anti social works.
- Wages in Bangladesh is very poor because of large population. More over, in our country seasonal unemployment problem is acute. To solve such problems, self-employment can contribute significantly.
- Through self employment migration to towns can be controlled and development of village society and economy can be ensured.
- The self employment mentality motivates the youth for patriotism and encourages willful works.
- Age is never a burden for self employment. A person of any age can earn through self employment as per his/her efficiency level.

What are the significance of self-employment you have realized from the speech of Sanjida Islam? More over, write down five important reasons for self-employment that you think are important : Acitivity-2

1	
2	
3	
4	
5	

Suitable and Profitable Areas of Self-employment in Socio-economic Context of Bangladesh

As it is possible to earn a respectful living being engaged in any small business from the motivation of self-employment of ownership and own management, similarly contribution can be made to the economic development of the country. One can earn by producing and selling goods or providing services that have demand. We have to keep in mind always to earn respectfully from our limited resources through proper utilization. Analyzing all these, we can identify several suitable and profitable areas for self-employment.

Suitable and profitable areas for self-employment:

- Hand loom (weaving)
- Mat Making
- Pottery
- Making goods of Bamboo
- Growing Salt
- Tailoring
- Making Clothes
- Making Nets to catch fish
- Carpentry
- Making Furniture of Steel
- Plate Making from Clay
- Blacksmiths
- Seri Culture
- Live Stock and Poultry Farm
- Making things from Cane
- Making Utensils of Glass
- Ring (for well) Making
- Making things of Copper & Titanium
- Making Fancy goods of Jute
- Making T shirt
- Making Leather Goods
- Making Goods from Shell
- Bakery
- Making Flour
- Making Oil for Cooking

• Boat Making • Drying Fish • Making Flour from Potato • Making Mat from Jute • Making Utensils • Making Banana Chips • Making Potato Chips • Repairing Bi-cycle • Making Toys • Making Rubber Goods and Ball • Cultivating Rubber • Butter Making • Pen (Ball point) Making • Processing of Hay • Reparing Umbrella • Making Bi-cycles • Growing Vegetables	• Producing Food Products • Making Knitting Goods • Embroidery • Yarning • Making Toys of woods • Printing & Publishing • Making Plastic Goods • Making things from Bee wax • Jewelry • Snacks Making • Making Cake (Pitha) • Making Cornflakes • Making Toothpick from Bamboo & Woods • Making Ice Cream Spoon • Pad Thresher • Making Agricultural Instruments • Making Photo Frame • Photostat Business

Activity-3: Select any ten of the above mentioned areas chronologically according to your choice:

1		6	
2		7	
3		8	
4		9	
5		10	

Process of aiming before self-employed profession

Before selecting self-employment as a profession, one should properly specify his/her goal. To set the objectives, following question is necessary to be answered:

What is your long term goal? How do you want to achieve this?
In what specific date you want to achieve this?
What is your short term goal?
Why is short term goal important?
Have you taken any steps to achieve that?
What obstacles can rise against achieving the goal?
How to overcome those obstacles?
What is your plan to solve problems?
What are the helps/supports necessary to solve the problem?
Whom will you select as the helper?

The correct goal can be identified within finding the answer of the questions.

Factors to be Considered for Selecting Suitable Field for Self-employment

The success or failure of a self-employed business depends largely on selecting a suitable field for self-employment. Thus, selecting the suitable field for self-employment, the following issues need to be considered:

- **Selecting the Right Goods**

  Selecting the appropriate goods for business is the pre-requisites for getting success. Before selecting the product, demand and acceptability of the product in the market should be properly justified.

- **Initial Capital Utilizing**

  To run the business successfully, it is necessary to arrange sufficient fixed and working capital. Utilizing the maximum capacity of the business is not possible if one fails to assess and arrange necessary capital. For lack of working capital many industries in Bangladesh cannot run to their maximum capacity.

- **Assessing the Demand for Goods**
  The perfect measurement of demand for goods through market research and other techniques is one of the major preconditions for success of business. Besides, market size and marketing strategics must be assessed beforehand.
- **Experience and Education**
  The past experience in business and proper education regarding management is helpful towards success of business. Research shows that in most of the cases the reason for failure in business is having no prior experience or knowledge about management strategies.
- **Awareness about Self Weakness**
  Troubles in business can be avoided if the entrepreneur is alert and aware of his/her strength and weakness.
- **Joint Effort**
  Family support and joint effort is a significant element to achieve success in business. Joint ventures are more successful.
- **Selecting Right Worker**
  The worker to be employed in business must be qualified and efficient in their own job. So, in case of recruiting worker, their academic qualification, professional efficiency, trust worthiness must be justified on the 'basis of a yardstick. There should be an arrangement for training for the employed workers. The employee should not be recruited for emotional reasons.
- **Selecting the Place of Business**
  To select the place for a business, raw materials availability, marketing opportunity, infrastructural facility etc. should be considered specially.
- **Uses of Right Technology**
  The use of right technology in the production process and combination of local and imported technology increases the possibility of success. The entrepreneurs should provide special emphasis on this before starting a business.
- **To be Aware of the Socio-economic and Political Condition of the Country**
  The economic condition influences the success of a business. Small entrepreneurs have to assess the existing socio-economic condition of the country and have to take business decision on the basis of the assessment continuously. More over, entrepreneur should always be aware of the influencing elements of business to become successful in business.

- **To Find Ways to Face Business Risk**

  Business can be protected from uncertain risk if the business related risk is assessed before hand. Thus, assessing the business risk with a suitable method and face those risk with a predefined way, are the pre-conditions for success in business.

- **Take Lessons from Failure**

  One should not get frustrated for failure in a business rather he/she must analyze the reasons meticulously and start in a new way. The success of business lies within learning from the previous business failure and execution of the learning.

- **Proper Business Planning**

  Proper business planning is another important issue to be successful in business. Planning is thinking and specification of how, what and when to do things before starting the business. Planning is the guiding paper for operating the business. The richer the planning the more will be the possibility of success in business.

Activity-4: Now, try to match with your selection of self-employment areas and the above mentioned issues. Considering these issues, select any five from your selected ten areas and give reasons:

Name of the Area	Reasons for Selection
1	
2	
3	
4	
5	

Ways to Motivate for Self-employment

For self-employment it is necessary to have personal efficiency and strong willingness to earn a living on the basis of a self dependent profession. Self employment is the only alternative since job opportunity is limited and employments can not be generated through private and public initiative. in huge number. Concept of self-employment is not clear and sufficient to the youth of this country. On the other hand, we think job is the only way of earning a living

because of our social value and bookish knowledge. As a result, the number of both educated and illiterate unemployed people is increasing day by day. To motivate the youth and the future generation for self-employment necessary steps have to be taken, such as-

- Students should be taught that no work is small or disrespectful
- Students to be lectured on the biography of successful self-employed persons of the locality.
- List of suitable areas for self-employment to be advertized over schools and union porished.
- The students who are dropped out or can not come to school regularly, should be trained in a suitable area and arrangement should be made for lending money to them.
- Sufficient vocational, technical and work oriented subject needs to be included in the secondary and higher secondary level.
- Youth development bank and education bank needs to be established for lending money to unemployed people for self-employment.
- Ex students of the school who are now successful entrepreneur and business man, they should be invited for giving reception on their success.

Necessity of Training in Self-employment

Training is necessary for completing a special job and enhancement of knowledge and efficiency. Training increases work efficiency and competency. Training should be arranged in small organization to increase the efficiency level of the worker like the large organization. It is not necessary to recruit from outside if the existing workers have proper training and the business farm has proper recruitment policy. Training is a continuous and regular effort to enhance the knowledge and efficiency of workers so that their competency increases gradually and the organization is benefited Training should be arranged for a worker before assigning him/her to any job. Training is necessary for old and new worker of the organization including the entrepreneur. Necessity of training is explained below:

- **Introduction to Nature of work and Environment**
  It is necessary for the newly appointed staffs to be introduced with the working environment and nature of work of the organization. Training process helps the new workers to get introduced with the work environment.

- **Removes the lacking of Efficient and Experienced Worker**
  It is not possible for the organization to recruit experienced and educated worker all the time. For this reason, after recruitment this necessity is fulfilled by training the new workers. In this way the lack of efficient and experienced workers of the institute is removed.
- **Increase the Efficiency of the Worker**
  Training increases the work efficiency of the worker. For this, training is necessary for the new worker as well as old workers in the organization.In this way demand of Skilled and experienced workers can be met in the organisations.
- **Proper Utilization of Resources**
  Training develops the efficiency of the entrepreneur and workers. As a result better use of machineries, furniture and fixtures and other assets are possible by the entrepreneur and workers.
- **Enhancement of Moral Strength**
  Training enhances the morality of the entrepreneur and workers. As a result moral strength increases. Training brings cooperation and coordination among workers. For this, activities of the organization run with optimum level of pace.
- **Minimize Wastage and Accident**
  Trained worker can perform any job with higher efficiency and low cost. As a result wastage is reduced in the working process in the organization. Training gives the worker knowledge of security related various techniques and it helps to avoid accidents of using machineries and other factors.

At last, it can be said that the necessity for training is immense for the development of work through efficiency and competency of the worker to maintain the activities of the organization properly. Without proper training, satisfactory work can not be expected from Staffs/worker, whether old or new. So, making the worker efficient through training is a must for doing their job for an organization.

Training Institutes for Helping Self-employment

Society or country with large number of entrepreneur is more developed. In Bangladesh, there are some institutions for supporting self-employment. These institutions create opportunity of earning for the destitute people through motivating landless and 'poor to self-employment, providing training for

efficiency enhancement, arranging micro credit to set up small business, and monitoring of uses of the borrowed fund etc. Among the institutions Bangladesh Institute of Bank Management, Ministry of Women Affairs, Bangladesh Rural Development Board, Employment Generation Project of Rural Women, Youth Training Center, Notrams etc. are mentionable. The activities of these organizations are mentioned below:

1. Bangladesh Institute of Management (BIM)

Bangladesh Institute of Management is an independent organization under Ministry of Industry. This institution gives training on self-employment and entrepreneurship development in exchange of specific fees. The major programs include Process of Setting up Small Industry and Management, Establishing New Industry, Development of Women Entrepreneur etc.

2. Ministry of Women Affairs

Ministry of women Affairs mainly undertakes various acnvities for the development of women. Mainly, the major objective of this institution is to generate employment for the destitute, uneducated and half educated village women. It provides informal training on technical and technological issues towards the motivated women for the development of their technical efficiency.

3. Bangladesh Rural Development Board

Bangladesh Rural Development Board (BRDB) provides vocational training to the destitute and landless village people for self-employment, so that they can select a profession independently to earn a living. The activities of BRDB cover all the districts and Upazillas.

A Self-dependent Woman by availing loan from BRDB

4. Employment Generation Project of Rural Women

Through this project, the rural women are provided with training and loan is extended to the trained women. Only the trained are eligible to avail the loan facility.

5. Youth Training Center

Youth Training Center is operated by the Ministry of Youth & Sports. It has center at every Thana of the country. From these centers training on various professions are provided to the unemployed youths, Such as establishing poultry farm, Fish Cultivation, Vegetable Gardening, Nursery, Sewing, Cottage Industry, Computer Operation etc. The trainees can enjoy the opportunity of self-employment after getting training in these sectors.

5. NOTRAMS

Notrams is an institution operated by the Ministry of Education. The main job of this institution is to provide training on computer programming and computer operation. A number of young boys and girls have become self-employed after having been trained from this institution. In fine, it can be said that the above mentioned organizations play a helping role in generating self-employment by arranging training programmes. The economy of the country is being developed as a result of their activities.

A old woman engage in self-employment

6. NGO'S:

At present different NGO'S in the country are providing training to the unemployed youth about life and life skills.
For example : BRAC, Ahsania Missiox, ASHA etc.

At last we can say that the institutions discussed above are playing a helpful role for creating self-employment through various training activities. The result of their activities is developing the economy of the country.

EXERCISE

Multiple Choice Question (MCQ)

1. Total number of unemployed people in Bangladesh as per report of Bangladesh Statistical Bureau -2010?

   a. Six Lac b. Sixteen Lac
   c. Twenty Six Lac d. Thirty Six Lac

2. In Selecting suitable area for self-employment it is needed to consider -

   i. Right Product
   ii. Certainty of Profit
   iii. Demand for Goods

   Which one of the following is correct-?

   a. i & ii b. i & iii
   c. ii & iii d. i, ii & iii

Give answer to the question No. 3 & 4 after reading the following paragraph:

SSC pass Shikha is expert in Computer. She teaches computer to some of the girls at her house. Day by day, number of her students is increasing. She is willing to have higher/better training on computer so that she can take this area as self-employment.

3. From which of the organization Shikha can take training?

   a. BIRDB b. BIM
   c. BIBM d. Notrams

4. Why it is logical to select the mentioned work of Shikha as a way of self- employment by her in future?

   a. Social Status is good b. Market Demand is good
   c. Request from the students d. Expertise in Computer

Creative question

1. Oishee, Sadi and Sami; three friends have completed B.Com recently. They were discussing about their future planning. Oishee and Sadi is planning to get admitted in M.Com. Sami can not make a final decision yet. Because, his father wants him to go to any country of Middle East. But, meritorious Sami wants to do something staying in the country. He took a two months training on poultry farming. It strengthens his mentality. He set up a poultry farm in his house with the money for abroad. He is now self dependent utilizing the knowledge he gained from the training.

a. What is the contribution of Agricultural sector in the national economy?

b. Why unemployment problem in Bangladesh is increasing? Explain.

c. Establishing poultry farm by Sami is included in what type of work? Explain.

d. What quality of Sami do you think has influenced him most to become self dependent – Explain this statement.

2.School Teacher of Rangamati Mrs. Mamapru Marma gave the idea about the huge demand and potentiality of clothes made by handloom to local tanti Marina Marma. Considering the vast demand, Marina started to make Thami -a cloth for the hilly girls and prospered rapidly by selling them. Because of Marina, several girls became employed. She has been declared the Best Women Entrepreneur for the last three years in her district.

a. What is the percentage of the boys and girls of the total eligible work force of the country?

b. Describe one feature of Self-employment?

c. Which matter played the role for rapid prosperity of Marina? Explain.

d. 'Following the advice of Mamapru Marma has brought so much acknowledgement in Marina Marma's life.' Explain the line in your own words.

CHAPTER FOUR

Business Based on Ownership

We have already learned that business is the combination of all the activities from manufacturing of various goods and services, distribution and all the associated economic activities in order to make profit basically in a legitimate way. Various demand aspects of the consumers, ownership, and mentality of the businessmen, size and features are the reason for formation of different types of business. In this chapter, we shall know about various types of business organization and their aspects on the basis of ownership.

After completing this chapter, we will be able to

- Describe different types of business and legitimate features
- Explain the definition, features, and advantages and disadvantages of sole proprietorship firm
- Explain the suitable area for sole proprietorship business and reasons for the popularity of sole proprietorship business
- Describe the idea, features, and advantages and disadvantages of partnership firm
- Explain the formation process of partnership firm
- Explain the contents of the deed of partnership agreement
- Explain the registration of a partnership firm and its advantages.
- Talk about different types of partnership.
- Explain the reasons for dissolution of partnership business
- Describe the definition, features, Kinds advantages and disadvantages of a joint stock company
- Describe the formation process of joint stock company
- Differentiate between public and private limited company
- Describe the idea and features of cooperative society.
- Explain the formation and principles of a cooperative society

- Describe the importance of cooperative society in the light of the socio economic aspect of Bangladesh.
- Give example of the idea of state run business and its features.
- Explain the Concepts and features of state enterprise in Bangladesh.

Different Types of Business on the Basis of Ownership

Different types of business have been formed on the basis of ownership and of various features to meet up different demands of the people over the decades. Though, there is similarity in the objective of earning profit, there are some differences on the basis of nature, feature, area, size and activity among various types of business organization. On the basis of ownership business can be classified as the following categories:

1) Sole Proprietorship Business
2) Partnership Business
3) Joint Stock Company
4) Cooperative Society
5) State Enterprises

Concept of Sole Proprietorship Business

Sole proprietorship is the business formed, operated and controlled by single person. Business in this world started at first on sole ownership. For this reason, this is called the most ancient business firm. Considering the present scenario, we can say that when a single person out of his own responsibility arranges capital and forms and run business with the objective to make profit and singly shoulders the profit or loss of the company it is called a Sole Proprietorship Business. Formation of sole proprietorship business is very easy. Any individual can start this type of business with small sum of money of his/her own initiative. Generally, size of this sort of company is small. But, the owner can employ more than one personnel and engage more capital if necessary. There is not so much limitations for sole proprietorship business under the law. Anybody can start the business at any place whether it is in the village market, hat-bazar, road side or in one's own house. But, in cities and towns the entrepreneur has to collect trade license before starting business. Most of the business organizations in our country are formed as sole proprietorship. Not only this, 80% of the business is based on sole proprietorship in Europe and America. Generally, in our country, the groceries, tea stall, vegetable shop and most of the retail shops are formed as sole proprietorship firm.

Characteristics of Sole Proprietorship Business

Sole Proprietorship Business is such type of business where entrepreneur, owner, operator and supplier of fund is the same person and he/she singly bears the risk, liabilities, profit and loss of the business/company. The characteristics of sole proprietorship firm are mentioned below:

- The owner is a single person in sole proprietorship farm who arranges to supply the capital, operates the business and bears the risk.
- Formation of this kind of business is very easy. Since, there is no legal complexity, any one can form this if he/she wants.
- This sort of business can be formed with less capital. The owner himself supplies the capital. Generally, own savings, if necessary he/she can borrow form friends, relatives and Banks and operate business.
- In most of the cases, sole proprietorship is of small size. Because of less capital and ownership of a single person, the size of the business is small.
- In a sole proprietorship firm, the owner has to bear all the risk of the business.
- Sole proprietorship firm does not have a legal entity. Owner and the business are same.
- The owner bears all the responsibilities in this business. Thus, his liability is unlimited. If necessary, one may need to sell personal property to meet up the business liability.
- Because of the single ownership of the whole business, the owner enjoys the whole share of profit. On the other hand, he has to bear all the loss singly.
- The permanence of sole proprietorship business depends upon the willingness of the owner. Because, to run the business or to close the business solely depends upon the willingness of the owner.

Activity-1: Identify the advantages and disadvantages of sole proprietorship business analyzing its characteristics	
Advantages of sole proprietorship business	Disadvantages of sole proprietorship business
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Suitable Areas of Sole Proprietorship Business

Sole proprietorship business has been acknowledged amongthe under developed, developing and developed countries of the world as the most ancient form of business. Though it is the oldest business, it is still popular and has survived the competition with large scale businesses. Sole proprietorship business is popular to all because some of its features and advantages. Suitable areas of sole proprietorship business are depicted below:

1. There are many people who want to start a business but can not do so because of not having sufficient fund in hand. Sole proprietorship is suitable for the thousands of people interested in self-employment. Such as tea stall, small food shop, cottage industry, pottery shop etc.
2. There are some businesses which do not require much capital. Those businesses are considered more appropriate for sole proprietorship Like Betel Shop, Vegetable Shop.
3. The business having very low risk is suitable for sole proprietorship. Because, low income people want to avoid risk, thus they like this sort of business. Such as Rice shop, pharmacy etc.
4. There are some businesses which provide goods and services with demands stipulated to a particular region or particular group of customer. Sole proprietorship business is more suitable for that kind of business. Like library in front of school, restaurant in front of a industrial factory.
5. Sole proprietorship business is formed for the business of perishable goods such as fruits, vegetables, fish, meat etc.
6. Profession based business like Doctors, Architecture and lawyers and direct service based business like Laundry, Saloon, Beauty Parlor, etc. are formed as sole proprietorship business.
7. There are some business which depend on the changed taste, interest and fashion of the customer. Sole proprietorship business is more suitable for this kind of business. Such as tailoring.
8. Sole proprietorship business is suitable for business of goods and services involved with individual efficiency, art and fame. Such as painting, photography, jewelary, furniture and sweet shop.
9. Sole proprietorship business is also suitable for agro based accessory products. Such as trading of paddy, potato and other raw materials.

10. For publication of books, papers and news papers at local and national level, business of sole proprietorship is more suitable

From the above analysis it is understood that sole proprietorship business can be started at any time and at any place with individual initiative, independent mentality and investment of less capital and labor. This business is free from legal complexity and risk is also a lesser amount. On the other hand, sole proprietorship business can supply with goods and services from staying very close to the consumers. As a result, though the business is the oldest one, it has vast scope and popularity. In context of Bangladesh, considering the economic, social, political and cultural condition, sole proprietorship business is the most appropriate type of business. For which eighty percent of the business in Bangladesh is formed based on sole proprietorship. So, it is necessary to make the process of getting loan and other government assistance easier to eliminate the prevailing unemployment in the country and creation of new job opportunity by motivating the youth of the society to form sole proprietorship business.

Activity 2: Considering the Characteristics, advantages and suitability of sole proprietorship business, find out the reasons for its popularity

Causes of popularity of Sole Proprietorship Business	
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Concept of Partnership Business

Because of all the stipulations of less capital, unlimited liability and narrow scope of sole proprietorship business, despite being the oldest and popular business form it became necessary to establish business enterprises on partnership basis with widening scope and reducing risk. For this, more than one individual come together combine their capital and capacity and form a new type of business which is called partnership business. Mainly, partnership business evolved to eliminate the deficiency of sole proprietorship business. But, this business also has some problems. Dispute and distrust may rise among partners specially, for distribution of profit, decision making, division of tasks and responsibilities, determining partners' relations to each other. As a

result, deed of partnership and partnership act had to be introduced. In Bangladesh, partnership business is operated under the Partnership Act 1932. Generally, when more than one individual willingly comes together to form business on the basis of partnership deed it is called partnership business. As per Partnership Act 1932, 'more than one individual' means minimum two and maximum twenty partners. If the partnership is for banking business, then maximum number of partners should not be more than ten. According to the section 4 of the Partnership Act 1932 in Bangladesh, Partnership business is the relation between individuals based on a deed with a view to sharing profit of a business operated by all or by one on behalf of all. Those who build this type of relation is called "partner" and altogether their business is called partnership business.

Formation of Partnership Business

We have known that, Partnership business is one type of business with a relationship between individuals based on an agreement where the business is operated by all or by one on behalf of all. Formation of partnership business is very easy like sole proprietorship business. There is no legal complexity in its formation. At least two eligible persons entering into contract can start the business. But there is no hard and fast rules that the agreement is to be written. The existing partnership law of 1932 in Bangladesh did not make agreement and registration mandatory. So, the business can be operated by oral agreement. But to avoid legal procedures, contradiction, unreliability and mistrust among the partners, the agreement needs to be written and registered. For this reason, the agreement is treated as the main basis of partnership business. It is necessary to collect a trade license from city corporation or municipality to start a partnership business within existing rules of our country.

Characteristics of Partnership Business

In the present context, partnership business is as old as the sole proprietorship business. But, partnership business has evolved to eliminate some limitations of sole proprietorship business. Though, it has some similarities with sole proprietorship business in nature, partnership business has some characteristics which has made it different from sole proprietorship and other form of joint ownership business. The characteristics of partnership business are analyzed below:

1. Formation of Partnership Business is very easy since there is no legal complexity. More than one individual eligible to enter into contract can start the business with an oral or written agreement. More than one individual means minimum two and maximum twenty people. For banking business the maximum number of member is ten.
2. The agreement between the partners works as the basis for the partnership business. This business is formed, operated and controlled on the basis of relation based on agreement. The agreement can either be oral or written, registered or umegistered.
3. The partners in the business supply their fund according to the agreement. Profit as well as loss of business is also distributed according to the agreement. Profit as well as loss is distributed equally if there is no other indication in the agreement. Some body may even become partner without any investment if it is mentioned in the agreement. But, the liabilities of the partners are unlimited by jointly and individually. This means, if the asset of the company is not sufficient to meet up a particular liability then the personal property of the partners shall be liable for this. If any partner becomes bankrupt, then other partners shall be liable to bear his portion of liability.
4. The business is formed on the basis of reliability and trust on each other and the success of the business is also dependent on this. On the other hand, partnership business gets dissolved, if there is any unreliability, mistrust and argument among the partners.
5. Registration of partnership firm is not mandatory. But, the registered company enjoys some facility over the umegistered companies. Registration does not make it a legal entity. So, the business can not be run on its own name. It is considered that all the business transactions have been made personally on behalf of the partners. The existence of this business depends upon the willingness of partners since it has no legal entity.

Activity 3: Analyzing the concepts and characteristics of partnership business; find out advantages and disadvantages	
Advantages of partnership business	**Disadvantages of partnership business**
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Deed of Partnership Business

Partnership Business is formed with an agreement between two or more people. The agreement can be oral. Or the agreement can be written and registered. It is mandatory to have an agreement to start a partnership business, it does not matter whether the agreement is oral, written, registered or unregistered. For this reason agreement is treated as the main basis for partnership business. As per statement from Partnership Act -1932, 'Partnership relation is built from agreement, not from statuses. Written agreement is called Partnership Deed. Partnership deed is such evidence that describes the objective of the business, operational guideline, position of each partner, responsibilities, activities and right and specific method to solve potential problem in future. The agreement is to be signed by all the partners. This is to be kept in mind that business conducted to make and distribute profit shall not be considered as partnership business if there is no such agreement. If the children of a deceased person become the heir and they operate the business and share the profit among them, then it will not be a partnership business since there is no agreement with the children.

Contents of the Deed of Partnership Business

Deed of agreement is treated as the guideline of partnership business. Various important issues are incorporated in the deed to avoid the contradiction among partners and let alone complexities in operational procedure of the business. Generally the following issues are stated in the deed of agreement:

1. Name and address of the partnership business.
2. Nature, objective and scope of business
3. Expiration or validity of the business
4. Name, address and profession of the partners,
5. Total capital of the firm
6. Capital to be paid by each partner and payment method
7. Rules to run the business
8. Introduction of the partners who will directly run the business
9. Profit and Loss distribution method
10. Responsibilities, power and rights of the partners
11. Name of the bank, Address and nature of account to be opened.

12. Name of the partners to operate the Bank account
13. Guideline to include new partner and exclusion of existing partner.
14. Estimation, reservation and repayment method for share in case of death of a partner
15. Retirement and dismissal process of partner
16. Solution method for future contradiction
17. Method of dissolution of partnership

Registration of partnership Business

Registration of partnership business refers to enlistment of the name of company with the government appointed office of the registrar. Registration of partnership business in Bangladesh is not mandatory as per Partnership Act of 1932. But the registered companies enjoy some additional benefits over the unregistered partnership business. In a registered partnership business the partner can sue against other partner for his rights as per partnership deed which is not possible in case of an unregistered firm. Unregistered companies cannot take any legal measures against any third party as well for the rights as in the deed of agreement. On the other hand, if any third party sues any unregistered partnership firm or against its partners, it cannot claim any receivables against the plaintiff only for being unregistered. Besides, unregistered partnership firm cannot sue against any third party to claim taka more than hundred. So it is more logical to register a partnership firm since it can enjoy the benefit of some additional facility. The following things are to be attached with the application for registration of a partnership business:

- Name of the partnership business
- Address of the head office
- Address of the branches (if any)
- Objective of the business
- Date of business commencement
- Expiry or validity of the business
- Partners name, address and profession
- Date of joining as a partner in the business

The registrar will check all the paper submitted along with the application having been signed by all partners for registration. If the registrar is satisfied, he will enlist the company and inform the company in written. The registration process ends with receipt of the letter.

Activity-4 : Write down the problems faced by unregistered partnership business
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2.
3.
4.

Classification of Partners

The partners in a partnership firm can select their role in a business considering the various conditions of the business, advantages and disadvantages, duties and responsibilities. The concepts and characteristics of different types of partners are mentioned below:

Different Types of Partners	**Concept & Characteristics**
Ordinary Partner	• Partners invest capital in the business and actively participate in the operational activities of the business • Partners have unlimited liabilities • Equally share the profit and loss as per deed of agreement • Gets remuneration if mentioned in the agreement
Sleeping Partner	• Partners invest capital into the business • Share the profit as per agreement • Does not participate actively in the operational activities of the firm having rights though. • Sleeping partner has limited liabilities • Is not liable to any third party for the activities of the business
Nominal Partner	• Does not invest capital into the business • Does not participate in the business operational activities • Allows to use name/goodwill against profit sharing or in return of particular amount of money as per deed of agreement. • Nominal Partners do not have unlimited liabilities like the ordinary partners • But, if any body lends money considering him as a partner and is able to prove it, then the partner shall be equally liable like others.

Quasi Partner	• This type of partner does not withdraw the money invested as capital and retains in the business as a loan • In fact, this sort of partners are the creditors to the business • If, any ordinary partner remains in the business in such a way without publishing notice, then he/she will be liable to the third party for the activities of the business.
Limited Partner	• If liability of a partner is limited as per deed of agreement or if any minor is taken as partner legitimately to facilitate him with the consent of other partner he/she is called a limited partner. • The liability of such partner is limited to the amount of invested capital. • Does not take part in the business operation • Any minor person can also be such partner on the basis of deed of agreement.
Partner by Holding Out	• When any person introduces himself as the partner of a business verbally, written or in any other manner though he is not a partner, he is called partner by holding out. • If, any body being influenced by his attitude; lends money to the business, then such partner shall be liable.

Dissolution of Partnership Business

Partnership business is formed for a particular time period or to complete a specific task. As per Partnership Act 1932, Section 39, dissolution of the relationship among the partner is the dissolution of the partnership business. According to the partnership act dissolution of the partnership business can be done in many ways:

1. **Dissolution by mutual consent:** According to Section 40 of Partnership Act, all the partners of the firm can mutually dissolve the business.
2. **Forced Dissolution:** According to Section 41 of Partnership Act, because of the following two reasons forced dissolution can happen:
   a) All but one or one of the partners become bankrupt or
   b) If the business becomes anti legal or illegal for any reason.
3. **Eventual Dissolution:** According to Section 42 of Partnership Act, dissolution can happen due to any of the following reasons mentioned in the partnership agreement.
   a) If specific time span of the business ends
   b) If the specific task for which the business started is finished
   c) In case of death of any partner
   d) If any partner is declared bankrupt by the court

4. **Dissolution through Notice:** Section 43 of the Partnership Act states that Partnership business can be dissolved through the notice by any partner of his desire to quit the business.
5. **Dissolution by the Order form the Court:** Section 44 of the Partnership Act states that for any of the following reasons partnership firm can be dissolved:

   a) if any partner becomes insane,

   b) If a partner becomes incapable forever,

   c) If the trust and faith among the partners are affected by the misdeeds of any partner;

   d) If any partner transfers his share to any third party by violating the terms and condition of the partnership deed.

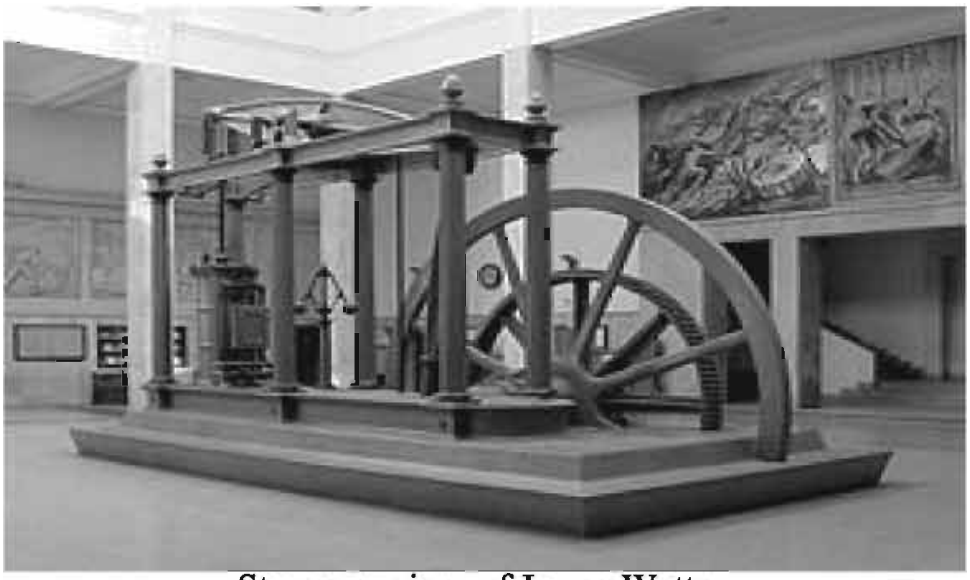
   e) If the business is incurring continuous loss and if it seems impossible to run the business without incurring loss.

   The court may order for dissolution of a partnership firm for other logical reasons.

Concept of Joint Stock Companies

The institutional journey of business did not remain stipulated in this world which started through formation of Sole Proprietorship business. Partnership firm evolved to remove some limitations especially short of capital and single operation, and smaller size of sole proprietorship business. But, the partnership business could not free itself from the limitation of low capital, law, existence; liability etc. In this way demand of customer and business scope increase rapidly. As a result, on a legal basis company is formed with more capital and larger in size which is called joint stock business or company or organization. In fact, the changes in the production process because of industrial revolution brought vast changes in the organizational nature and scope of business. Production and distribution system placed itself in factory coming out from the periphery of family boundary. As a result, Joint Stock Company was born with more capital, limited liability, joint management and legal entity and separate identity. It is mentionable here that Industrial Revolution is the technological changes in agriculture, factories, and coal mining and transportation system in Europe during the mid eighteenth and nineteenth century.

Joint Stock Company is created and operated under the law. The first company act was passed in Britain in 1844 which was known as "The Joint Stock Company Act 1844". In the subcontinent of British ruled India first company act was passed on 1850. In 1913, the Indian company act was again passed. In independent Bangladesh the company act of 1913 was followed for long time. The new company act in Bangladesh was introduced in 1994 with lots of changes and corrections. At present in Bangladesh all the joint stock business is running under the company act 1994. According to Company Act 1994, company means-company formed and registered under the law or any existing company. Actually, company is such an organization which is created under the law, having separate legal existence, separate legal entity and limited liabilities for the owner and where several people jointly invest money to earn profit.



Stream engines of James Watte :
Memorandum of Industrial Revolution

Features of Joint Stock Company

At present in the era of large scale business, the significance of this type of business is inexplicable. This type of business possesses some features which has given it separate status than all other type of business. The features of joint stock company are described below:

1. Joint Stock Company is legally formed. This business is formed under the prevailing law of the state. Since, it is formed legally; its formation is complex and formal. Number of its member is limited by law. In case of private limited company the number of members is minimum two and maximum 50 and for public limited company the minimum number of members is seven and the maximum is limited by the number of shares.

2. Joint Stock Business is an enthusiastic organization. Several people willingly come together to form and operate company business. Any member can leave the business easily through transfer of his share. And any one can become a member through buying its share.
3. Since, it is legally formed, it has legal personality. Legal personality means enjoying legal status and rights like a person being a nonperson entity. Company independently can enter in to contract, do transactions and can take legal action if necessary. Other party also has the right to go to court against the company.
4. Since, company is formed legally; its dissolution must be done under formal legal system. In this way it owns the status of continued existence. The company does not dissolve with the death of any share holder, bankruptcy or transfer of share.
5. The company has to use a seal of its own name because it is a legal personality. Use of this seal is mandatory for all the operations and papers and documents of the company.
6. The total capital of the company is divided legally in to several small portions. Each of the unit is called a share. Company accumulates capital by selling the share. For this reason, it is called share capital. Any person aged more than eighteen or any institution can become a member by buying its shares. Because of more member and the opportunities to collect capital by selling share, it can arrange huge capital.
7. Management is totally separate from the ownership in company business. The owners of company business do not take part in the operational activities directly like the sole proprietorship firm or a partnership firm. Management responsibility is mentained by another group of salaried people. The directors or owners only take part in the policy level of works
8. The liability of the member of the company is limited. It is not unlimited like the sole proprietorship business or partnership business. Member's liability is limited by the share value or commitment. Limited by share means a person shall be liable for the amount of share he/she has purchased. For example, if a person buys 100 share of Tk.100.00 each; in that case his liability shall be limited to Tk. 10,000.00. On the other hand, limited by commitment means the amount of share is committed to be purchased by a person and he/she will be liable up to his/her commitment

9. In operation and management of company business, democratic culture and values are followed. Share holders elect the board of directors through direct vote and the business is run by the decisions of the board of directors.

Activity–1: Find out the advantages and disadvantages of Joint Stock Companies after analyzing its features.	
Advantages of Joint Stock Company	**Disadvantages of Joint Stock Company**
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Classification of Joint Stock Company

Various changes of the socio-economic condition of the world society and the developmental touch influence the business world. As a result, large scale of business in the form of joint stock companies evolved to surpass the limitations of sole proprietorship and partnership business. Limited company is well known among all the business of joint ownership. In Bangladesh, limited companies are mainly divided in to two categories: a) Private Limited Company; and b) Public Limited Company

a) Private Limited Company

The company in which number of share holders are limited to minimum two and maximum fifty and where the shares are not easily transferable is called Private Limited Company. In Company Act 1994 in Bangladesh states that, "Private Limited company is one which, by its articles, restricts the right of the members to transfer their shares, limits the number of its members to fifty, prohibits any invitation to the public to subscribe for any shares or debenture of the company' which means only the members can buy the shares. The size of this type of limited company is usually smaller because of limited members and capital. According to law, the minimum number of members has to be at least two in this type of company. Gradually, the number of private limited companies is increasing in Bangladesh.

b) Public Limited Company

The company in which minimum number of members is seven and maximum is limited by the number of shares as mentioned in the memorandum of association, can make invitation for subscription of shares and debentures, and shares are easily transferable is called a Public Limited Company. Public Limited Company can increase the number of members by increasing the number of shares of the company by changing the memorandum of association. As per law this type of company must have at least three directors.

Activity-2 : Find five differences between Public Limited Company & Private Limited Company	
Private Limited Company	**Public Limited Company**
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Importance of Joint Stock Company

In today's business world, like the sole proprietorship business company joint ownership company is also very popular. Besides, forming large size of business it is possible to create employment opportunity for a larger group of people. Employment does not only eliminate unemployment but also enhances the standard of living and per capita income. More over, because of unlimited liability in case of sole proprietorship and partnership business, large scale of investment in risky venture is not possible which is possible in joint stock companies. Besides, Joint stock companies are more suitable for high technology based industry. Because, the large amount of capital required to set up this type of business can be procured through selling shares to public in the public limited company. As a result, involvement in the industrial development of the country increases. Through Joint Stock Company, business can expand internationally and relationship among the countries is strengthened. At present many Multi National Companies (MNC's) are running their business world wide. Bata Shoe Company, Unilver, etc. Multinational Companies are working in our country,. In this way, company of one country develops relationship with another through opening their business branch in that country. During the last two decades many Joint Stock Companies have been established in Bangladesh which are contributing to the economic development of the country and creating employment.

Activity-3:	
Make a list of Multi national Companies working in Bangladesh	**Identify the importance of Joint Stock Companies for the socio-economic development.**
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Process of Formation of a Company

Companies in Bangladesh are formed following some sequential process under the prevailing Company Act 1994. Formation of a company is done through four continuous stages. These are:

a. Taking Initiative

At this stage, people interested to form the company come together to take decision about the probable name of the company, type of the company, amount of capital, ways to raise fund, address of the company etc. The entrepreneurs fix the possible name of the company and take certificates from the Registrar of Joint Stock Company.

b. Preparation of Documents

At this stage, the entrepreneurs of the business prepare two important documents for the business. One is called Memorandum of Association and the other one is Memorandum of Articles. Memorandum of Association is called the main document of limited company. It is also called the main deed, certificate or constitution of the company. Various important issues like name of the company, registered address, objective of business, amount of capital, responsibilities of the share holders, minimum subscription etc. are incorporated in it. On the other hand, Memorandum of Articles incorporates all the necessary internal operational procedures of the business.

c. Collection of Registration

At this stage, for registration of the company, application for registration is collected by paying a certain amount of fees. The application form is submitted having it filled up properly to the registrar of the Joint Stock Company along with certain amount of fees and other necessary documents.

If the registrar is satisfied after receiving the application, fee and all the related documents then he enlists the company in the register book and gives certificate of registration. Private Limited Company can commence its business after receiving this document, but Public Limited Company has to wait for the Business Commencement Certificate from the Registrar to launch the business.

d. Business Commencement

To collect the business commencement certificate for launching business operation of the public limited company, application to be made to the registrar along with declaration of minimum subscription of capital by the directors and Prospectus to issue share to the public with other important documents. If all the documents are found correct and the registrar is satisfied, then he provides business commencement certificate to the company. Public limited company can commence business after receiving this document.

Activity-4

Prepare a presentation in group on the basis of collected data from inter-net about the formation,visions,functions, profit, opportunities of empolyment and social responsibilities of a multinational company.

Concept of Cooperative Society

The word 'cooperative' refers to work with combined initiative or effort. Cooperative has evolved to proceed with the inspiration and belief of combined effort. Because of Industrial Revolution and technology based large scale of business, the base of capitalism increases, the more the economic discrimination in the society is amplified. Lower and middle income group of professional and businessmen start to face economic destitution. Cooperative society starts to evolve in different countries for emancipation from economic differences and destitution created by capitalism. At first, Cooperative revolution started in Western Europe, America and Japan. But, Rochdale Equitable Pioneers Society established in 1844 at a place named Rochdale located at North England leads the pioneer in establishing cooperative society. This is considered the first cooperative society in the world formed by 28 weavers with 28 pound sterling of capital. The members of this society were not financially solvent. They were incapable to buy costly food and other necessities with their small wages. With the help of cooperative they collected the regular necessities at a lower cost and used to sell among the members.

Rochdale Pioneer Equitable Society : First Cooperative organization of the world
Established 1844

They had taken the policy of democratic mentality, trust and honor to each other and honesty to operate this business. In this way the journey of cooperative society starts.

In this subcontinent, government took initiative to form cooperative society in 1904. Kolkata Bengal Cooperative Society was established in 1918. The campaign of cooperative society got huge popularity through establishing Bangladesh Academy for Rural Development (BARD) at Comilla by renowned Civil Service Officer Dr. Akhter Hamid Khan in 1959. National Cooperative Bank started operation in independent Bangladesh in 1972. Afterwards, various types of cooperative society have been formed in our country. 'Bangladesh Milk Producers' Cooperative Union Limited' which is known as 'Milk Vita' is another mentionable cooperative society of the milk producers in Bangladesh. Besides, many other cooperative society at national level are working in Bangladesh like 'Fishermen Cooperative Society Limited', 'Bangladesh Auto Rickshaw Puller Cooperative Federation Ltd.' 'Comilla Industrial Cooperative Society Ltd.' 'Bangladesh Women Cooperative Society Limited'. According to statistics of 2009, in Bangladesh there are 1,63,408 cooperative society with member of 85,05,038 persons. At present all the cooperative societies in Bangladesh are operated on the basis of Cooperative Act 2001 and Cooperative Policy 2004. Cooperative business has been acknowledged as a popular business organization in various developing and developed countries including Bangladesh.

Hundred years of Cooperative in Bangladesh (1904-2004)

Characteristics of Cooperative Organization

Generally, several low and middle income group of people with similar mentality willingly come together to form cooperative society to fulfill their economic objective. They invest money equitably, operate the organization democratically, and are agreed to justly bear the risk and share the advantages and disadvantages of the business. Cooperative Society has some features which are analyzed below:

1. Generally, lower class and middle class people of similar mentality and profession willingly forms this type of organization. The objective of the society is to enhance the socio economic standard of the members in a legitimate way. The main objective of this business is to gain self dependency, not profit.
2. Cooperative Act 2001 has delineated three types of cooperative business; these are

a. Primary Cooperative Society which shall have minimum 20 members and objective is to enhance the socio-economic condition of the members in a legal way. Maximum number of member is not specified.

b. Central Cooperative Society which will be formed with the 10 primary cooperative societies with the objective to cooperate and coordinate the activities of the member society.

c. National cooperative society which will be formed by comprising 10 central cooperative societies with the objective to cooperate and coordinate the activities of the member society all over the country.

3. Cooperative society is formed under cooperative society Act having a nonperson and separate identity which has fixed continuous existence, shall have the right to acquire, hold, transfer assets and ability to enter into contract. The society shall have a seal and has the ability to sue and be sued.
4. The total capital of the Cooperative Society is divided in to small number of shares. A person can be a member through buying a share, but, any member can not buy more than one fifth of the total share of the organization. Liabilities of the members are limited by the value of share.
5. Cooperative society is operated and managed by following democratic rules and procedures. For all kinds of cooperative society, a member is eligible to cast only one vote in decision making process of the society. To cast the vote the member must be present because no proxy is allowed.
6. If the cooperative society is not registered or approved as per Cooperative Act 2001, any person, club, organization or cooperative can not use the word 'Cooperative' in its name. It means, without registration, using the word 'cooperative' is prohibited.

Though cooperative has similarity with other types of business, it has some different features as well.

Classification of Cooperative Society

Cooperative is in fact an organization of the poor middle and destitute group of people in the society. But, at present people from various profession and class with their own initiative or government assistance form different types of cooperative society to be self-dependent economically and socially. However cooperative Rules 2004 has stated the following profession based cooperative societies:

1. Agriculture or Farmer's Cooperative Society
2. Fisheries or Fishermen Cooperative Society
3. Labors's Cooperative Society
4. Potter's Cooperative Society
5. Weaver's Cooperative Society
6. Cooperative Society of Landless People (Maximum land owned by the member is 40 decimal)
7. Poor Cooperative Society
8. Women Cooperative Society

9. Cooperative Society of Auto Rickshaw Puller, Drivers of Auto Tempo, Taxicab, Motor, Truck, Trunk Lorry, etc.
10. Hawker's Cooperative Society
11. Transportation Owner or Labor Cooperative Society
12. Worker's Cooperative Society
13. Milkmen Cooperative Society
14. Freedom Fighters Cooperative Society
15. Youth Cooperative Society (for the men and women aged from 18 to 35)
16. Housing Cooperative Society
17. Apartment or Flat Owners Cooperative Society
18. Shop Owners / Businessmen / Market Cooperative Society

The main objective of all the cooperative society is to develop the socio-economic standard of its members. Though cooperative society evolved for the lower class, at present various people of different groups or profession have the opportunity to form cooperative society. As a result, we can hope that thousands of educated and semi-educated young people of the country shall be motivated to establish cooperative society to be self employed and shall significantly contribute to the economic development of the country.

Formation Process of Cooperative Society

Since, Cooperative Society is formed legally, society must be formed and operated under a set of legal procedures. As per Cooperative Society Act 2001, Cooperative Society is formed at the following three stages:

a) **Initiation Stage:** To form a Cooperative Society, at least twenty people must come together from similar class, profession, status or similar mentality. Among these originators, a management committee of six people is formed. This committee outlines a by laws to form the Cooperative Society with the registration. The By-Laws consists the name of the society, address, objective, full description of capital, value of share and number, method of selling share, initiators name, address and position, method of operating the society, etc. A seal must be made for the cooperative society. If the society has limited liabilities, the word "Ltd." must be added at the end of society's name.

b) **Registration Stage:** At this stage, steps are taken for registration of the society. For registration, Form-1 is to be collected from the government approved local authority and to be submitted having filled up properly along with fees and three (3) copies of By-laws to the registrar. To form the

Primary Cooperative Society by the Poor, Landless and Shelter less people under the government Poverty Alleviation Program, a treasury challan of Tk.300.00, for central Cooperative Society Tk.1000.00 and for National Cooperative Society Tk.5000.00 should be submitted along with the application form. Amount of share capital for registration of Cooperative Society is fixed. For registration of Primary Cooperative Society formed willingly to alleviate poverty or under government program paid up capital of at least Tk.3,000.00, Other Primary cooperative society except Credit Co-operative Society Tk.20,000.00, for registration of Credit Cooperative Society paid up capital of at least Tk.100,00,000.00 and for central and national cooperative society paid up capital of Tk.1,00,000.00 is required. After scrutinizing all the documents and By-laws in details, the registrar enlists the name of the society in his Registration Book and returns 2 (two) copies of By-laws with registration number to the society. The registration process is completed in this way.

c) **Business Commencement Stage:** After registration, the society gets legal existence. Without registration no association can use the cooperative word. After getting the registration, the originators of the society can start various economic and social activities.

Activity-5 : Find out the similarities and dissimilarities among Sole Proprietorship, Partnership, Joint Stock Company and Cooperative Society	
Similarity	**Dissimilarity**
•	•
•	•
•	•
•	•
•	•

Basic Principles of Cooperative Society

Cooperative society is formed with a different ideology and objective than the other business organization. Generally, people of same class, same profession, belonging to the society of poor, middle or destitute primarily with the objective to develop their own socio-economic condition and on the basis of some other principles cooperative society is formed. The basic principles of cooperative are described below:

1. The main principle of cooperative is the unity of the people of similar mentality, profession and class based on economic condition. Actually, the business was formed on the principle of unity is strength.
2. Another important principle of cooperative is equality or equal participation of all the members. All the members are entitled of similar honor irrespective of their economic, social, political and religious status.
3. Another principle or ethics of cooperative is to cooperate among the members. Member's cooperation and sympathy to each other contributes significantly towards the development of the cooperative society. It is the key to success of the cooperative society.
4. Trust and faith of each member on others is considered to be another important principle of cooperative society. This makes them vigorous, interested and confident.
5. Its democratic value and concept is another fundamental principle. All the members of the cooperative society have the right to cast vote and every member has a single vote. All the members have equal rights to express opinion and cast vote irrespective of their paid up capital or amount of share in the society.

Problems and Prospects of Cooperative Society in Bangladesh

If we consider the socio-economic condition of our country, we shall find that eighty percent of our population is engaged in agriculture and village based various profession to earn a living like Farmer, Labour, Weaver, Fishermen, Blacksmith, Potter and various types of small and cottage industries like Bamboo and Cane, Pottery, Shell, Handicrafts, and various types of sole proprietorship business such as groceries, tailor, Pharmacy, Vegetable shop, Saloon, Tea stall etc. Although, most of them are from small and low income group of the society, they are deprived from various social benefits such as education, healthcare etc. It is not possible to overcome these difficulties solely. On the other hand, the farmers and agriculture in this country could not contribute to the fullest extent because of primitive cultivation method, shortage of capital, quality fertilizer, scarcity of seeds and pesticides and small pieces of land. They become victim of deceit from various intermediaries because of lack of unity, cooperation, trust among themselves. Cooperative Society is the most suitable place for these type of different groups of small and low income

farmers, labors and small traders for the development of their socio-economic condition. They can also contribute for the economic development of the country along with their socio-economic development by forming cooperative society. Many cooperative societies have been formed after the Independence which has enabled those groups to develop their own condition as well as to the development of the economy as a whole. But, this is not sufficient comparing the society and country. Everybody, specially the young generation must be encouraged to be engaged in cooperative society with the help of Government assistance, suitable training and huge campaign on mass media.

How can you encourage the farmers of your locality to form cooperative society?	How will you encourage yourself to form cooperative society after completion of your studies?

Concept of the State Enterprise

Generally, companies formed, operated and controlled by the state are called State Enterprise. This kind of business can be established by the state. For the necessity of the state, business formed in other criterias can also be converted in to state enterprise trough nationalization. Normally, state enterprises are established to ensure industrialization, employment generation, controlling money and banking system, proper uses and distribution of all the assets including natural resources and public welfare in some specific sectors. Besides, state enterprises are also formed and operated to control Arms Factories for the safeguard and security of the nation. At present, in all the countries of the world there are some state run business operated.

Characteristics of State Enterprise

State Enterprises have some unique characteristics. These are described below:

- State Enterprises are formed by the ordnance of the Head of State or passing bill in the National Parliament. Besides, this type of business can also be formed by nationalization by state ordnance.
- The ownership of the state enterprises belongs to the state and the government supplies all the required capital. But, in some cases partial amount of share can be sold to the public. In that case, suppliers of capital are government and public.

- This type of business is formed under specific law and has legal and separate entity. Because of legal entity and separate entity, state enterprises have eternal existence.
- Like other business, the objective of state enterprises is not earning or maximizing profit, public welfare or public service is its main objective.
- The profit of this business is deposited to the government treasury and spent for the public welfare. The loss has to be born by the government.
- For the success or failure of state enterprises, the government is accountable to the parliament.

Activity-7 : Analyzing the concept and characteristics, describe the necessity of state enterprises

State Enterprises in Bangladesh

After getting independence on 16th of December, 1971, the new government nationalized many personally owned factories, commercial, financial and insurance business with a view to forming welfare oriented, equitable and fare state. Besides, many state owned enterprises had also been established. There are still a number of state enterprises in operation in the country though many of them have been left for the personally owned business. A list of state enterprises with the name, type and controlling ministry of the business are given below:

Bangladesh Bank.

Name of the state enterprises	Type of Business	Controlling Ministry
Bangladesh Chemical Industries Corporation	Industry	Industry
Bangladesh Jute Mills Corporation	Industry	Industry
Bangladesh Electricity Development Board	Service	Fuel & Mineral
Bangladesh Bank	Banking	Finance
Bangladesh Road Transport Corporation	Transport	Communication
Bangladesh Railway	Transport	Communication
Bangladesh Tourism Corporation	Service	Aviation & Tourism
Bangladesh Biman	Transport	Aviation & Tourism
Bangladesh Inland Water Transport Corporation	Transport	Communication
Bangladesh Textile Mills Corporation	Industry	Industry
Bangladesh Telephone Industries Corporation	Service	Telecommunication
Bangladesh Machine Tools Factory, Gazipur	Industry	Bangladesh Army
Bangladesh Television	Service	Information
Bangladesh Betar	Service	Information
Titas Gas Transmission & Distribution Company Ltd.	Service	Fuel and Mineral
Jiban Bima Corporation	Life Insurance	Finance

Titas Gas Transmission & Distribution Company Ltd.

EXERCISE

Multiple Choice Question (MCQ)

1. Which one is the most ancient and popular organization?

a. Partnership b. Sole Proprietorship

c. Cooperative d. Joint Stock Company

2. When the crisis of faith rises in partnership business?

a. Decision making is delayed b. Deed of agreement is not written

c. Profit is less d. Trust worthiness to each other is lost

Answer the question number 3 & 4 after reading the following paragraph

To change their lot, the poor women from Rasulpur formed a cooperative society. They borrowed some money from a local NGO and started to make handicrafts to sell in to the city. All their products are damaged while one of their members incurred accident at the time of carrying them to the city. As a result, they faced huge loss, but, they remained together and their developmental work continued:

3. What is the type of cooperative which is mentioned in the above para?

a. Poor b. Landless

c. Business d. Farming

4. What is the reason for the success of the cooperative –

i. Faith on each other

ii. Mentality of cooperation

iii. Democratic Mentality

Which is one of the following is correct?

a. I & II b. I & III

c. II & III d. I, II & III

Creative Question

1 Abir is the eldest son from a lower class family who lost his father when he passed SSC.As a result, the burden of the family was imposed on him. This is why his education came to end. In this circumstance, Abir opens a Tea stall at Kaligonj Bus Stand to start his professional life by borrowing some money.

a. What is the main objective of sole proprietorship

b. Explain one point of difference between partnership and sole proprietorship business.

c. What will be the longevity of Abir's Business? Explain.

d. Considering the type of business organization, Abir's business is less risky but has unlimited liability. Give your opinion in light of the above para.

2. Nafiz and his four other friends set up a food processing factory on the basis of deed of agreement. The demand of their product is increasing day by day because of the quality of their products. But, business expansion and modernization is hampered due to shortage of fund. So, they changed the type of their organization and started to work at a large scale in the name of Nafiz & Friends Co. Ltd under Company Act 1994. Within two years they opened two branches at divisional level.

a. How many types of business organizations are there?

b. In a sole proprietorship 'Liability of the owner is unlimited' Explain.

c. What was the type of Nafiz's and his friends business at first stage? Explain.

d. By changing the organizational form of Nafiz's business shall contribute to the economic development of the country. Evaluate the statement.

CHAPTER FIVE

Legal Aspects of Business

Everyone has the right to do any kind of business to earn a living and to make profit. But, every business has to be permitted and legal as per law of the state. In this chapter we shall learn about the legal aspects of business such as licensing, Trade Marks, Franchise etc.

Department of Patents, Designs and Trademarks (DPDT)

After completion of this chapter we shall be able to –

- Explain the legal aspect of Business
- Describe the Concept of License and how to get it.
- Describe the concept of Franchise and how to get it.
- Describe the concept of Patent, Registration and its advantages
- Explain the concept and type of Trade mark
- Explain chronologically the steps for registration of Trade Mark
- Explain the concept of Copy Right and registration process
- Describe the advantages of registration of Copy Right
- Explain about BSTI
- Explain the concept and necessities of Insurance
- Explain the types of Insurance and process of insurance

Legal Aspects of Business

Since 1998, the Business Entrepreneurship course has been included in the secondary level as an elective course in the commerce group. A teacher from Commerce Faculty of the University of Dhaka wrote and marketed the book. The students of this subject had been waiting for this book. As a result, the third edition of 8000 copies of this book was sold out immediately after publishing. In fourth edition only 4000 copies of this book had been published, but surprisingly sales were nearly stopped. After searching the reason it was found that copy of the book at a comparatively less price was sold in the market. Finding no other way, the teacher went to the nearby police station. Police asked him about the copy right of the book, whether it was registered. Though the writer was aware of the necessity of registration of copy right, ignoring the importance of registration of copy right, he abstained from doing it. Police regretted of their inability to do anything in favor of him. Consequently the teacher incurred loss financially and lost interest to republish the book.

What have you understood reading the above story?

If the writer would have registered the copy right of the book, he could be saved from the financial loss. Business entrepreneurs have some intellectual property such as copy right, patent, trade mark etc. They are the result of research in business entrepreneurship and invaluable asset of business. To protect and preserve these assets all the countries have legal bindings. The entrepreneurs must have primary knowledge about these assets and the related law. Legal concepts help the entrepreneurs to be protected from the legal problems of the business.

1. License

To start any kind of business, approval should be taken or be registered from the respective authority. Approval or registration process varies depending upon the nature of business. In case of sole proprietorship business, if it is within the city corporation, trade license should be collected from the corporation authority and if it is outside of the city corporation, license to be collected from the district administration. In our country registration of partnership business is not mandatory. But, if the partners want they can apply to the registrar for registration following a particular procedure. Such application must be accompanied by particular fees.

Registration of Joint Stock Companies

As per company Act, registration of joint stock companies in Bangladesh is mandatory. In this case, registration is done by the registrar of the Joint Stock Companies. The originators apply to the registrar along with other related documents and specific fees. The registrar issues certificate if he finds all the submitted documents satisfactory after detailed scrutiny. The company gets life after having the registration. For registration application of the private limited company there should be at least two originators and public limited company it should be seven. Private limited company can start business after having the registration certificate, but the public limited companies have to collect business commencement certificate to start the business.

2. Franchising

At present, business established and operated under franchising has got popularity. The right of using the name of a reputed business firm and making, selling and distributing its products is called Franchising. Band Box, Pizza Hut, KFC, Wimpi, Kentaki, etc are the example of this type of business. There are two parties in franchising: Franchisor and Franchisee. For example we can say that the KFC of America is the Franchisor and Transcom Limited in Bangladesh is the Franchisee. The main features of Franchising are:

1) Deed of Agreement between Franchisor and Franchisee
2) Branded Products or Service
3) Monitoring by the Franchisor to ensure the product quality and process at the accepted level.

The Franchise Agreement

Franchising Agreement is the main element of franchising business which is executed between the Franchisor and Franchisee. The clauses of the deed of agreement may vary on the basis of amount of capital, training arrangement, management help, etc. Franchising area is also very important. But, the following issues are very common in most of franchising agreement:

a) Franchisee has to pay a particular amount of fee initially and pays a specified amount of monthly fee. In return, the franchisee gets right to sale products of the Franchisor as per day.

b) Franchisee must agree to invest required amount of investment.

c) Both the parties shall have the objective to earn money from the business. Profit is the yardstick for the success of business. The management should be efficient and goods and services need to be of better quality to be successful.

d) Franchisor starts to earn from the day of receiving fees. In some cases, franchisor can demand for the fee before allowing the franchising.

e) As per agreement, the franchisor may keep the right to place selection, infrastructure development and ownership of these things to him.

f) If the business is not to satisfactory level of the franchisor, he can cancel the agreement.

g) Franchisee can sell only those items which are acceptable to Franchisor.

If the contents of the deed of agreement are acceptable to both the parties, then they can sign it.

Franchising business can be operated on the basis of legal bindings in Bangladesh through registration. For example, if the company is a private limited company then it can start business in Bangladesh through registration from the registrar of the joint stock companies.

There are many advantages of doing business through Franchising . Such as, marketing of branded products, training of workers, getting business related advice from the franchisor and having arrangement of financing facility. Among the disadvantages, tight monitoring, probability of cancellation of agreement on breaching of any terms or clause of the contract and requirement of large amount of investment etc. are mentionable. Though having the difficulties, franchising has been assisting in developing and setting new businesses. In many foreign countries, franchising has gained vast popularity, but it is still not very much popular and well known in Bangladesh. Gradually, it will become popular, if the branches are increased in the district level along with the big cities.

1. Intellectual Properties

Works created from creativity and intellectuality is Intellectual Property. Inventions applicable to business, industry or commerce, Arts and literature, design, symbol, name etc. are included in intellectual property. The intellectual

properties of an entrepreneur are those which have been invented with a long time effort. Intellectual properties are results of all the invention and creative works. Using the intellectual properties, human being has discovered many mystery of the creation. Intellectual properties have made knowing the impossible possible. Among this properties, Patent, Trade Mark and Copy right are mentionable. Intellectual Property Day on 26th of April is observed every year in Bangladesh along with the world.

2. Patents:

Patent is one kind of Intellectual Property. With the help of patent, the inventor is given a monopoly ownership over his invention for a certain period of time. In this case, an agreement is signed between the inventor and the government. Giving Patent to the inventor means that anybody cannot make it, use it or sell it for a particular period of time. Sometimes, the dishonest business people or competitors may duplicate the products in the market and the original inventors may incur financial loss. The main objective of Patent is to protect the entrepreneurs' invention so that nobody can duplicate the product to gain financial benefit from making and selling it to the market. In the business world, in the past many genuine inventors had incurred financial loss in this way. As a result the concept of patent evolved. However, because of entrepreneur's lack of awareness and ignorance, they have been cheated many times. In Bangladesh, we have been following the Patent and Design Law of 1911.

3. Trade Mark

Trade Mark is used to differentiate products in trade from other same and identical products. In the similar way, incase of service it is called the Service Mark. The main objective of the mark or symbol is self identity. Device, Brand, Heading, Label, Ticket, Name, Signature, Word, Letter, Symbol, Numbers added things, Mix of color, or any combination of these at any form will be included in Trade Mark. Packing is not included in the Trade Mark.

Necessity of Trade Mark Registration

Registered Trade Mark gives the owner sole ownership or entitlement to use the mark exclusively. Without the permission of the registered owner, nobody can use the mark. If the registered mark is renowned, the owner shall enjoy his ownership on all the products having the marks. And the mark is protected under the law. If the rights are breached, the owner can sue against to protect his rights.

Time-limit of Trade Mark Registration

The owner of the registered trade mark reserves the exclusive right to use the mark. This registration is given for seven years initially. It can be renewed for ten years, if application is made before the expiry. Registration can be renewed again and again for an uncertain period of time. If any agreement is breached or any complaint is proved, the registration can be cancelled if it is not renewed in time. In this Sub-continent Trade Mark act has been introduced in 1940. In Bangladesh, at present we are following Trade Mark Act 2009.

4. Copyright:

Copyright is another significant intellectual property, which if not protected can cause huge loss to the owner or its entitled person. Exclusive entitlement is given on the use of literature, arts and culture to its creator with the help of Copyright. Literature including Story, Drama, Essay, Poem, etc. Paintings, Film, Music, Instrumental Music, Sculpture Art are also preserved by Copyright. Presently, computer software is also protected by Copyright. For example, we can say that when an agreement is signed between the writer and the publisher for publishing and marketing of the book it is called Copyright agreement. In the agreement period and amount of royalty etc. are mentioned. If the deed of agreement is registered then the writer can take protection from the court for any breach of conditions and terms. Branded products, Sports, Name of film stars can be distributed through Copyright agreement. Actually, Copyright agreement is a popular medium for distribution of products and services. Copyright Act was actually introduced in 1912 in this Sub-continent. Bangladesh has Copyright Act in 2000 and which was amended in 2005. If the ways for protection of Copyright is properly followed, business entrepreneurs can be safeguarded from their loss in most of the cases. As per Copyright Act 2005, the right of the artist is preserved till 60 years after the death of the artist along with his/her life time.

5. Bangladesh Standards and Testing Institutions- BSTI

For producing and marketing a product it is necessary to register the symbol of a product to separate it from other similar products that are bought and sold in the market. Bangladesh Standard and Testing Institution is responsible for this job. It is an organization under the ministry of Industry. For registration of trademark of a product, application to be submitted on prescribed form along with specified fees. Moreover, to ascertain the quality of some products, certificate to be obtained madatorily from BSTI after production of those products as per standards. BSTI mandatorily maintains a list of products certificated by them. In any case, if the quality is not maintained to the predefined standard, their certificate may be cancelled. There are some products which have mandatorily maintained standard under BSTI certification and quality of those products can be ensured from BSTI. To maintain the quality of products, BSTI extends necessary assistance in this regards.

6. Insurance

The probability of loss in a business for any reason is called business risk. Without risk there is no business. Business enterprises can face risk; due to natural or unnatural reasons. Storm, flood, cyclone and excessive rain are major natural risk. Besides, business enterprises can face huge damage because of burglary, snatching, fire, marine, rail and motor accidents. Insurance is a better way to reduce this sort of risks. Insurance is also a business.

When any business organization agrees to make payment of a particular sum of money for loss caused by any predefined incident or for occurrence of the specified incident against payment of particular premium is called Insurance Contract. The party who agrees to compensate or make payment of the particular amount of money is called 'Insurer', on the other hand; the party who is being compensated is called the 'Insured'. As per agreement the insured gives the insurer a certain amount of money at a time or regular installment based which is called 'Premium'. The deed of insurance agreement is called Insurance Cover Note which includes all the details of terms and condition between the parties. Insurance is called the contract of compensation. But, life insurance is an exception in this case.

Insurance System is also exists in Bangladesh like other countries. In our country, we had been following the Insurance Act 1938 which had been introduced in the subcontinent. Later, in 2010 the Act has been changed, modified and amended and a new law has been enforced which is known as Insurance Act 2010.

Necessity of Insurance in Business

Assessing the risk in business is an important task for an entrepreneur. There are many risk associated with production and distribution process. A business firm may face difficulties and financial loss at any time due to supernatural loss, theft, workers sickness, accident, fire, and sinking of vessel. The insurance organizations compensate the insured against the above mentioned losses in exchange of premium as per insurance agreement. For this reason, insurance is very much helpful for a business. As a result, in absence of the insurance service many entrepreneurs would have to leave the business at the primary stage because of probable risk inherited in the business. So, it is necessary to have the assistance of insurance to smoothly run the business by removing the stipulations of risk and prevailing uncertainty in the business.

Classification of Insurance

At present, there are many types of Insurance. Among them four types are the most popular:

1. Life Insurance
2. Marine Insurance
3. Fire Insurance
4. Accident Insurance

Having the benefit of insurance, at present many types of insurance have been evolved in the market, such as: Insurance for Burglary, Trust, Riot, Strike, Earthquake, Liabilities, Motor Car, and Crop etc. Some of them are discussed below:

Life Insurance

Life insurance is the most popular among all the insurance business. The Insurance Policy which gives the insured or any nominated person a certain sum of money (insured amount) by the insurer against insurance premium after a certain period of time or death of the person nominated is called life insurance. Life of human being is the subject matter of this insurance. Since, life can not be compensated; it can not be called the contract of compensation like all other insurance contract.

Fire Insurance

The insurance policy which gives the compensation against losses caused by fire is called Fire Insurance. Generally, Fire Insurance Policy is taken to protect Goods, Houses, Warehouse, Factories and Machineries from fire.

Marine Insurance

The Insurance policy which gives protection from the risk associated with river journey and sea voyage is called Marine Insurance. A major part of the world business is done through water ways. To avoid the risk related to water ways, such as Storm, Tsunami, Pirates, War etc. marine insurance can be taken.

Accident Insurance

Insurance for Life and the risk of destruction of asset of a person are included in the Accident Insurance. In this kind of policy, as per terms of the policy the insurer pays compensation for particular insurance premium to the insured for any loss against the probable accident.

Besides, the above mentioned legal aspects of business, there are some additional laws; knowledge of which gives the entrepreneur more feasibility to run his business smoothly. Specially, knowledge on Worker Recruitment Law, Factory Law, Risk Mitigation Law in Business, Banking Law are helpful to run business positively.

EXERCISE

Multiple Choice Question

1. What is the main characteristic of Franchising?

a. Manufacturing b. Marketing

c. Making Profit d. Agreement

2. Why Trade Mark of goods in business is registered?

a. To establish right of the owner b. To expand the market of the product

c. To avoid risk d. To face the competition

Read the following paragraph and answer the question No. 3 & 4:

Mr. Habib of Shanir Akhra, in Dhaka is the owner of a factory of manufacturing electronic goods. Besides, he imports various electronic goods through a supplying company from abroad. The supplying company delivers the goods to the Chittagong Sea Port, Bangladesh. To avoid the risk of transporting the goods, an insurance policy is taken.

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3. Who will be the insured in the above mentioned paragraph?

a. Manufacturer b. Supplier

c. Importer d. Port Authority

4. Insuring the mentioned business –

i. Particular risk shall be eliminated

ii. Accident on the sea shall reduce

iii. There will be certainty of being compensated.

Which one of the following is correct:

a. I & II b. I & III

c. II& III d. I, II & III

Creative Question

1. Ismam came to Dhaka from Hatia after his final exam. He along with his college going cousin visited many places like National Zoo, Novo Theatre, National Museum, etc. Ismam noticed that his cousin takes him to restaurant with the same name at different places. Asking the reason he came to know that it is a foreign restaurant. All the big cities in Bangladesh have its branch. But, this kind of business has not gained popularity in Bangladesh yet.

a. Trade Mark Act of which year is being followed in Bangladesh?

b. What do you understand by Copyright? Explain

c. What kind of business is it as mentioned in paragraph? Explain.

d. Give your opinion to make this type of business more popuar.

2. Mr. Shabuz is an inventor. After long research, he invented such a kind of solar power based machine for irrigation which is different from all the contemporary machineries. It took first place at the National Science Fair. He started commercial production and got huge response from the market. Very shortly, another established company duplicated his product in the market. But, he failed to take any action against the company after filing suit.

a. What is the minimum number for entrepreneur for a private limited company?

b. What do you understand by license? Explain.

c. What kind of asset is the irrigation pump of Mr. Shabuz? Expain.

d. Explain the reasons of Mr. Shabuz not having any legal support.

CHAPTER SIX

Business Plan

The main objective of business is to make profit. If there is planning in running business, success becomes easier and possibility of failure reduces. Sometimes, many enthusiastic entrepreneurs can not become successful because of lack of proper planning in regard to the business. In this chapter, we shall discuss various aspects of business planning.

At the end of this chapter the students will be-

- Explain the concept and importance of business planning
- Explain the process of business planning
- Explain the concept of project planning and its importance
- Describe the steps of project planning
- Able to select the right business in entrepreneurship through project selection process.
- able to prepare the structure table for project planning.
- Explain the concept and necessity of self-analysis.
- Explain the process of self-analysis step by step.

Concept of Business Plan

Business plan is the chart/ graph of the future activities of business. It is written documents through which the objective of the business, nature, management style, financing, present status and future development process are depicted. Business planning provides the proper guide-lines for a business to achieve success and follow the right course. Business planning helps the businessman to reach his objective like radar helping an aero plane to reach its destination. Business planning is necessary in both cases, starting a new business or expansion of existing business. A business planning can be compared to the road map of a tourist or blue print for a building constructor.

Importance of Business Plan

The importance of business plan is immense in starting the business, maintaining it properly and operating it to reach the objective. The main importance of business plan is as follows:

1. **Guide line to operate the business:** To achieve the objective of business what, when, how and at what time a thing is to be done is properly mentioned in the plan. As a result it works as a deed of guideline to the entrepreneur.
2. **Capital arrangement and Investment:** When additional capital is necessary for a business, it is not possible for the entrepreneur to arrange the additional capital, then bank loan or from other sources capital is to be arranged. In this case, the lender or the investor can take decision by analyzing the business plan before extending the loan.
3. **Proper utilization of government facilities:** Small and medium size enterprises receive many facilities from the government. Business Plan helps to avail those facilities.
4. **Helps to make decision:** Business plan helps to take decision and give a concept about the competitor, which way the business should be expanded in future, which business is more profitable, what product is to be produced in future etc.

Besides above mentioned things, by reading the business plan the stakeholders can gain a clear concept of the business.

Process of Business Plan

The success of business depend on right selection of the project. A project is a planned and thoughtful work process to be completed within a particular time

and objective. It starts and ends at a specified time. A project may be a new venture for investment or expansion of old business. The first step of the business plan process is to identify the concepts and evaluate them for selection.

1. Identifying the Project Concept:

Selection of the project starts from the identifying the concept of the project by the entrepreneur. He can assess the surrounding environment and get the idea for the demand of a product and services. Selection of a project depends on this demand. Normally, the demand of product and services give birth to the project idea. During the selection of the project it is wise to think of products related to entrepreneur's hobby or interest, products having real demand, prevailing disadvantages of the products, opportunity of using new technology. The sources of new project concepts are entrepreneur's own thinking, various government and non-government publication, economic and industrial report and research report.

2. Evaluation of the Concepts and Selection of the Project:

An Entrepreneur shall make a list of the probable projects after analyzing the information from various sources. A project shall be selected from the list after analyzing it through various methods. A project can be selected by two methods by analyzing the selected concepts. One is Macro-screening and the other is Micro-screening.

a) Macro-Screening

Macro-screening is such a process which helps to select a project by evaluating the influential elements of the business concepts. All the businesses are influenced by some elements which are beyond control of the entrepreneur. These elements are population, economy, politics, society, cultural and legal environment.

- **Population:** The existence, progress and advancement of a business depend upon the population of the locality where the business is located. The demand of the product is influenced by the size of the market, population, and population growth ratio.
- **Economic Environment:** The demand of the product is also influenced by the consumer's income, savings, expenditure pattern and standard of living. Decision should be taken considering these elements while selecting a project.

- **Natural Environment:** Natural environment plays a vital role in selecting a project. The raw materials for the industry come from the natural environment. But, those businesses should be avoided which destroy the environment.
- **Political Environment:** Political stability, ideology of the leading parties and attitude of the politicians also influence the business activities.
- **Cultural Environment:** Education rate, expansion of technical education, social ethics and religious values work as an important element for selection of the business project.
- **Legal environment:** The prevailing law of the state, industrial policy contribute a lot to the expansion of the business of a country.

Selection of project through Macro-screening is an initial stage. To select the project finally and assess the appropriateness of the project, detailed scrutiny is done with the help of Micro-screening.

B. Micro-Screening:

Micro-screening is the detailed process of selecting a project through analyzing the market demand, technical, commercial and financial aspect and contribution to the national economy, etc. The elements of micro-screening are explained below:

- **Market Demand:** Through market survey and analysis of market demand, consumer's point of view and interest, number of competitors in the market and advantages and disadvantages of products are properly justified.
- **Technical Aspect:** Technical aspects of projects are justified from the technological and mechanical point of view. Production processes, technology specification, selection of machineries, feasibility of implementation of the projects are included in these types of jobs.
- **Commercial Aspect:** Profitability or commercial viability of a project is most important to select a project. In this case, elements of production cost, sales price, estimated profit etc. are to be considered very carefully.
- **Financial Aspect:** In this case, a project is selected considering the expenditure of the project, sources of financing, return on investment etc.

- **Contribution to the National Economy:** It is also essential to evaluate how the project shall contribute to the national economy. The yardstick to measure the economic contribution is employment generation, tax payment to the national treasury etc.

From the discussed point of view, projects having realistic and profitable attributes are selected for investment. It is mentionable here that in case of small enterprises and retailing projects; contribution to the national economy is not significant. But, in case of medium and large business such as manufacturing or production oriented business macro and micro-screening both are necessary to select a project.

3. Submission of Business Project Report

The last stage of the business plan is to prepare an excellent report. This report is prepared on the basis of justifiable information of the probability of the selected project.

Guideline for Small Business Plan

It is necessary to be careful while preparing a business plan. The entrepreneur can make the report himself or with the help of any other specialist. The following guidelines can be followed to prepare a proper business plan:

- Business plan should be precise and free from excessive wordings.
- The objective of the business is to focus only on one or two products and place for the product and market selection.
- In the management process of the business unknown person should not be included
- Any product should not be described with words only understood by the professionals; rather, it should be comprehensible to all.
- Sales volume should be projected on the basis of realistic quantity of production capacity. Sales account should be maintained very carefully.
- Business plan should not be drafted on the basis of vague information.
- There should be a detailed discussion on the present and probable problems of the business in the business plan.
- It is necessary to involve all the members of the management team in making business plan and if necessary, advice from an expert may be sought for.

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Contents of Small Business Plan

The subject matter of the business plan may vary on the basis of the size of the business, variation in nature and types of the business. But, the following things are common in a business plan:

1. Name of the Business organization
2. Address of the organization
3. Name of the Entrepreneur(s)
4. Brief of the entrepreneurs or directors
5. Nature of business (Sole proprietorship, Partnership, Joint Stock Company)
6. Management style of the business (Single, partnership or joint management)
7. Amount of Capital
8. Precise description of market survey (size of the market, possibility of future progress, ways to penetrate the market, pricing of the product.)
9. Possibility of profit generation (Target profit and guideline to achieve future target profit)
10. Attachment of projected Financial Statement

a. Total cost of the project
b. Projected Income
c. Projected expenditures
d. Projected Income Statement
e. Projected Balance sheet
f. Projected Cash-flow statement
g. Statement of Break Even Analysis

A projected financial statement for a grocery project on the basis of sole proprietorship is depicted below:

1. Cost of Project

Fixed Capital	**Amount (Taka)**
(This type of cost is to bear at the time of starting the business only)	2,00,000.00
Advance Rent for the Shop	3,00,000.00
Furniture & Fixtures	50,000.00
Others	
Total	**5,50,000.00**

Working Capital

(These types of expenditures have to make all the year round to operate the business smoothly)

Purchase of various goods	3,00,000.00
Salary of workers/staffs	48,000.00
Electricity Bill	12,000.00
Rent	36,000.00
Others	54,000.00
Total	**4,50,000.00**

Total Cost of the Project

Fixed Capital	5,50,000.00
Working Capital	4,50,000.00
Total	**10,00,000.00**

Financing of the Project:

Own Source	6,00,000.00
Borrowing from Relatives	2,00,000.00
Bank Loan	2,00,000.00
Total Project Cost	**10,00,000.00**

Projected Income Statement

Revenue (from Sales)		6,00000.00
Estimated Cost :		
Purchase of goods	3,00000.00	
Salary	48,000.00	
Electric Bill	12,000.00	
Rent	36,000.00	
Personal expenses of the owner	60,000.00	
Others	54,000.00	
Projected Income (yearly)		**90,000.00**

Estimated Cashflow Analysis

It is necessary to estimate the Cashflow to operate the business smoothly. This statement can be preserved daily, weekly and on a monthly basis. In this statement, how much Cash flow is made and how much expenditures is to be made in a particular period of time is estimated. Because of preparation of cashflow statement, the entrepreneur can have a clear idea about the cash position of the business.

Break Even Analysis

Break Even indicates such a state of the business where the income and expenditure of the business become equal. It is neither loss nor profit scenario of the business. More precisely stated when revenue from quantity of goods sold becomes equal to the volume of expenditures is called Break Even. The point at which the sales and expenditure become equal is called Break Even Point. Correct pricing of the product, for expected profit increase of the sales volume, profit planning, increase of profit etc. are possible if the Break Even Point is predefined.

For example, if a businessman manufactures 5000 Cricket bats and sells them he gets no profit of loss. However, if he manufactures more than 5000 Cricket bats he earns profit.On the other hand, if he manufactures less than 5000 Cricket bats he gets loss. In this case manufacturing of 5000 Cricket bats is the break-even point.

Concept and Process of Self Analysis

It is necessary to justify the capability of the entrepreneur to run the business before starting it. The main reason for this is because there is possibility of success and risk of failure in a business. As a result, it is wise to assess the capability before starting the business. It is a complex procedure to assess the business capability.

If the following work chart is properly filled up by an entrepreneur, he would be able to find out whether he has the quality of becoming an entrepreneur:

Sl No.	Question	Yes (1)	No (0)
1	Can you draft a Business Plan?		
2	Can you take decision at any situation and maintain your decision in adversity?		
3	Are you willing to take responsibility and lead?		

4	Do people trust and honor you with whom you stay?		
5	Are you physically fit?		
6	Can you work for long time?		
7	Do you feel free to mix and work with others?		
8	Can you communicate effectively with others and influence them to achieve your goal?		
9	Can others easily understand your thinking and concept?		
10	Do you have in depth knowledge about the business that you want to start?		
11	Do you have idea about the related factors of the business such as tax, accounts etc.		
12	Do you have experience and concept in marketing and finance?		
13	Do you have sufficient supply of fund to start the business?		
14	Do you have idea about the materials to start the business?		
15	Do you want to start the business staying above all?		

After answering the above questions you will give 1 marks for positive answer and o for negative answers. Now, count your total achieved number. If your number is:

12 or more then : Enough possibility of becoming entrepreneur

7-11 : Your possibility is not to the optimum level, but you can be successful if you try more.

Below 7 : You do not have sufficient will power to be an entrepreneur

In many cases, because of lack of competency, efficiency and willingness a person can not become an entrepreneur,but the scenario may change.Then you can also be an entrepreneur.

By analyzing the Self Assessment Process mentioned above, try to find out the necessity of Self Assessment:

Activity 1 : Necessity of Self Assessment
•   •   •   •   •

EXERCISE

Multiple Choice Question

1. Which one helps the business man to achieve his desired goal?

a. Capital b. Plan

c. Consumer's Income d. Demand for products

2. How a project begins?

a. From the demand of products b. From the interest of the entrepreneurs

c. From technical education d. From using latest technology

After reading the following paragraph, answer question No. 3 & 4:

Mr. Shamim stayed abroad for a long time. Recently, after returning home he has opened a highly decorated Fast Food shop in his locality. The area is populous but economically not so developed. As a result, he could not make profit as expected.

3. What issue did Mr. Shamim disregard before starting the business?

a. Size of the Market b. Demand for the product

c. Literacy Rate d. Quality of Product

4. The reason for not having expected profit from the business of Mr. Shamim-

i. Consumers' low income

ii. Not selecting the right product

iii. Small size of the market

Which one of the following is correct?

a. i & ii b. i & iii

c. ii & iii d. i, ii & iii

Creative Question

1. After completing graduation from BUET, Mr. Arif along with several friends decided to take up a project of establishing a cement factory considering huge demand for the construction and housing industry in the country. They drew a detailed and long term picture of their whole work plan before selecting the project. They arranged alternative source to accumulate capital since they did not have sufficient fund of their own for primary expenditure.

   a. What it is called to know the market demand of a product?

   b. Describe the technical side of business.

   c. What type of capital is necessary to implement the project of Mr. Arif and his friends in light of above paragraph? Explain.

   d. Mr. Arif & his friends have followed appropriate way for selecting a project. – give your own opinion in this regard.

2. Mr. Shahed is the owner of M/s. Ananda Confectionary. His business income and expenditures are mentioned below in table:

Expenditure	Taka	Income	Taka
Advance against Rent	1,00,000.00	Sales	5,16,000.00
Purchase raw materials	1,50,000.00		
Wages	50,000.00		
Furniture & Fixtures	1,00,000.00		
Rent	60,000.00		
Workers Salary	36,000.00		
Electricity Bill	12,000.00		
Other Expenses	8,000.00		

a. From which environment do we get the raw materials for industry?

b. What do you understand by working capital. Explain

c. Find the projected profit of Mr. Shahed's business.

d. Is the present condition of Mr. Shahed's business satisfactory? Give your opinion.

CHAPTER SEVEN
Industries of Bangladesh

Nafis' s elder uncle is an Engineer in a cement factory at Chatok. During the vacation, Nafis along with his parents and cousins went to visit his uncle. His uncle took him with his other cousins to show how the cement is prepared. Nafis noticed the piles of stones there. His uncle informed that numerous numbers of stones are coming from India everyday. These stones are the raw materials for making cement. These stones are converted into cement with various processes. The cement of Chatok is very good in quality.

Chatok cement industry is an important industry in Bangladesh. In this chapter we shall learn about various types of industries in Bangladesh and their importance, problems and possibilities.

At the end of this chapter we shall be able to –

- Explain the concept, features and importance of cottage industries
- Identify the suitable areas of cottage industries
- Find out the hindrances against the development of cottage industry
- Find out the ways to spread small industries.
- Mark the necessary things to be done for the development of cottage industries.
- Explain the concept of small and medium size business, its features and importance.
- Explain the formation process of small and medium size enterprise
- Considering the socio-economic condition of the country, specially your locality find out the suitable areas for small and medium size enterprise.
- Identify the problems relating to small and medium size enterprise
- Explain the concept and features of large scale industries.
- Explain the importance of large scale business in context of socio-economic condition of Bangladesh.
- Will be encouraged to set up small, medium and cottage industries.

Classification of Industry

Generally, Industry is the process of converting raw materials or primary products into secondary or finished goods using heavy capital investment. Manufacturing of an industry is factory based and factories of a particular product is known as industry as a whole. Such as, Jute Industry, Garments Industry, etc. Though, Bangladesh is an agricultural country, contribution of industry to the economy is not insignificant. In this particular case, government and non-government assistance and entrepreneurship are also increasing. As per National Industry Policy 2010, Industry in Bangladesh is divided in to Manufacturing Industry and Service Industry.

a. Manufacturing Industry

Production, processing, addition and later refinement and processing of produced goods, all are included in the manufacturing industry. In manufacturing industry, raw materials are processed into finished goods using labor and technology. Garments industry, Sugar industry, Jute and Jute Products industry, Fertilizer industry, Cement industry, Leather industry, Ship Building industry, Rail and Engineering industry, all are examples of manufacturing industry.

Rising Ship Building Industry

b. Service Industry

Using the machineries, fixed assets or intellectual properties, the service related activities provided by the industries are included in the service industries. Fishing, Construction and Housing, Automobile Servicing, Entertainment Industry, Horticulture, Floriculture, Flower Cultivation and Marketing, Milk and Poultry Rearing and Marketing, Hospital & Clinic, Tourism, Transportation and Communication are the examples of Service Industry.

Bangladesh Rail way; important medium of Government Transportation System

In respect of investment required for the industry; manufacturing and service industry are divided into four categories. These are Cottage Industry, Small Industry, Medium Industry and Large Industry.

Cottage Industry

Cottage Industry refers to those industries which are mainly family based and where fixed capital is including installation cost not more than 5 lac taka excluding land and factory building and manpower does not exceed 10 including the family members. Generally, cottage industry is operated by husband-wife, son-daughter, brothers-sisters and other members of the family. They are engaged in the job for full time or part time basis.

Various products of Cottage Industry

Suitable Areas for Cottage Industry in Bangladesh

Cottage industry is established on the basis of small place, less capital, individual efficiency and creativity, technical knowledge and help of the family members. Various types of cottage industry have enriched our country. Cottage industries at various place have gained so much popularity that those places are known by the industry of that place. Such as Rangamati Cottage Industry, Manipuri Cottage Industry, Khadi of Comilla etc. A list of suitable Cottage Industry in Bangladesh is mentioned below:

Nature of Cottage Industry	Manufactured Products
Jute Based Industry	School Bag, Net, Wall Mat, Sandal, Carpet
Bamboo & Cane Industry	Basket, Bulb Shed, Tray, Chair, Cradle, Doll, Flower, Vase, Mat, Dala, Kula, Chalun
Pottery	Various Animals, Fruits, Flower, Utensils, Showpiece, Doll, Flower Vase, Flower Tub, Canter, Pitcher and other products.
Weaving and Garments Industry	Saree, Lungi, Table Cloth, Sofa Cloth, Jamdani, Sweater, Bag, Muffler, Cap, Wall Mat, Sheet, Towel, Winter Cloth, Readymade Garment, Hosiery etc.
Food and supporting Industry	Chanachur, Jam-jelly, Honey, Molasses, Sweets, Card, Chips, Vermicelli, Confectionary etc.
Handicrafts Industry	Hand made Carpet, Mat, Nakshi katha, Office Stationary, Book Binding, Fishing Net, Packet of Sweetmeat,

Shell Industry	Garland, Ornaments, Toys, Showpiece
Small Steel & Engineering Industry	Da, Spade, Shovel, Knife, Scissor, Surma Pot, Radio Television & Fridge Repairing, Automobile workshop and servicing center.
Chemical & Pharmaceutical Industry	Oil, Perfume, Rose Water, Agorbati, Candle, Soap, Fenile

Activity-1 : Make a list of the cottage industry established in your area.

Small Industry

A small industry is an industry in the manufacturing concern having asset value with installation cost ranging from Taka 50 lac to 10 crore excluding value of land and factory building and worker is 25 - 99 is called a Small Industry.

Small Industry

In case of Service Industry, Small Industry means industry having asset value including installation cost of Taka 5 lac to 1 crore excluding land and factory building and worker is limited to 10 to 25.

Medium Industry

In terms of manufacturing concern, medium industry means, excluding land and factory building, other fixed assets including installation cost having value of Taka 10 crore to 30 crore and engaged number of labor ranging from 100 to 250.

Incase of Service Industry, Medium Industry means industry having asset value including installation cost of Taka 1 crore to 15 crore excluding land and factory building and worker is limited to 50 to 100.

Medium Size Garment Industry

Suitable place for Small and Medium Size Industry-

Type of Small and Medium Industry	Produced Products
Food & Food based Products	Flour, East, Suji, Vermicelli, Bread & Biscuit, Red Sugar, Honey Refinement, Dried and Tinned Fish, Oil Mill, Chocolate, Cigarette & Biri Factories, Rice, Puffed Rice, Pressed Rice, Khoi etc. making (including automated rice mill)
Garments	Plain Cloth, Bed sheet, Cloth for Shirting -Suiting, Saree, Towel etc.
Jute and Jute Goods	Yarn, Sutli, Jute Bag ,Cloth ,Carpet ,Jute Sandal and all jute based products
Forest Industry	Wood, Things made of bamboo & cane, Saw Mill, Toy made of wood and Furniture, Sports Items
Printing & Publishing Industry	Various Types of Paper, Packet, Carton etc.
Leather & Rubber Industry	Bag of Leather & Rubber, Shoe Factory
Small Steel and Engineering Industry	Tube-well, Agricultural Tools, Tools for Mills & Factories, Automobile Items,
Chemical & Pharmaceutical Industry	Various Types of Color, Paints, Plastic Factories, Pharmaceutical Industry, Manure, Mixed Fertilizer, Making of Guti Urea
Glass and Ceramic Industry	Various Types of Glass and Ceramic Products, Utensils of China Clay.
Cold Storage	Various Types of Cold Storage

Problems of Small and Medium Industries in the Context of Bangladesh.

Though the contributions of small industries are increasing day by day for socio-economic and cultural development, yet some problems still exit in developing such industries. The Problems are: traditional concepts, want of raw materials, want of financial support, availability of huge foreign goods in the local markets, poor transport system, lack of support to enter into local and international markets.

Contribution of Cottage, Small and Medium Industries to the Economy of Bangladesh:

In a developing country like Bangladesh, the cottage, Small and Medium size industries play a vital role for the development of the economy. Their contribution towards alleviation of poverty and employment generation is mentionable. Almost ninety six percent of the industries of the country are included in cottage, small and medium size industries. These industries are a major source for generating employment. Millions of people of the country are engaged in this type of industries. These types of industries are formed with small amount of capital, locally available raw materials, individual efficiency, creativity and help of other family members especially from the women. As a result, thousands of people get employed. Particularly, self-employment generation and alleviation of unemployment among the village women, cottage and small industries have a significant role. Cottage and Small Industries have been contributing significantly to maintain and spread out the history and tradition of the country around the world.

Statistics on Small & Cottage Industry of the Country – June, 2011

Total Small Industries	93,660
Total Cottage Industries	6,36,577
Employment at Small and Cottage Industries	33.37 lac

Things to do for the development of Cottage, Small and Medium Industries:

Cottage industry is mainly family based. But, small and medium size industries require more labor in addition to the family members. The entrepreneurs of these types of industry have been contributing a lot for the economic development of the country by utilizing their own effort, brilliance and locally available raw materials. Additional steps need to be taken for the development of these types of industries. These are-

1. To ensure certainty of availability of raw materials:

Normally, these types of industry flourish at place based on the availability of raw materials in the locality. But, in many cases the development of the industry is hindered due to non availability of raw materials for natural calamities, awful transportation system or any other adverse cause. Government assistance is necessary for this reason.

2. Market Proximity:

Market is indispensable for sales and marketing of goods and services. More over, raw materials availability is also dependent on market. There will be rapid development of these types of industries, if, market for raw materials and produced goods are ensured.

3. Sufficient Supply of Labor:

Cottage, Small and medium size industries are mainly labor based industries. For their development efficient worker and cheap labor is necessary. It becomes obligatory to have knowledge on design and technical issues with the emergence of demand of the products and services. There should be sufficient arrangement of training for making the labour force skilled.

4. Transportation Facility:

Though this type of industry is established initially considering local raw materials and demand of product, with the expansion of market and demand it is necessary to have a developed transportation facility to aid the sales and marketing and carrying of raw materials and machineries for the industry.

5. Emphasis on local and foreign, both demands:

Since, small and cottage industries are established with emphasis only on the local demand, importance is concentrated on local demand only. It should be kept in mind that we should give importance to the foreign market as well as emphasizing on local demands.

6. Availability of Capital:

Though the small and cottage industries require small amount of capital, it is not possible for the entrepreneur of this firms to arrange the required amount of capital at all time. So, there should be arrangement for bank loan and other sources of financing.

7. Government Facility:

Cottage industry is the symbol of pride and tradition for the nation. For this reason, for its expansion and development, government help and assistance is necessary. It is a matter of hope that the government is working for the development of these industries through "Small and Cottage Industries Corporation". Government has also decided to provide financial assistance to these industries for their development and expansion. Besides, government is also taking initiative to protect weaving industry, establishing separate area, for Benarasi and Jamdani Palli. Special incentive is going to be given to weavers, blacksmith, potters, bamboo, cane, copper and jute industry, etc.

Activity-2: Prepare a statement visiting some small and medium industries in your area.

Large Industry

In case of manufacturing concern, large industry means, excluding land and factory building, having fixed assets including installation cost of Taka 30 crore and more and engaged number of labor ranging from 250 or more.

In case of Service Industry, Medium Industry means industry having asset value including installation cost of Taka 15 crore or more excluding land and factory building and worker is more than 100. Among the large industries in Bangladesh, Fertilizer, Cement, Paper, Electricity, Garments, Steel, Engineering, Pharmaceuticals, Jute and Jute goods, Tea, Glass and Glass Tube industries are mentionable.

Importance of large industries in the socio-economic context of Bangladesh :

Though Bangladesh is an agricultural country, yet industries play a vital role in economic growth.

Contribution of large industries is increasing day by day in national economy.

Besides for the development of large industries the support from both the private and the government is increasing. Cheap labourers are available in our country. Therefore, our country needs such type of large industries where greater number of employment opportunities will be generated.

Potential large industries in Bangladesh

• Food Processing Industry • Manpower Exporting • Ship Building and Ship Breaking Industry (Environment Friendly) • Renewable Energy (Solar Power, Wind Mill) • Tourism Industry • ICT Products and ICT based Service	• Ready Made Garments • Herbal Medicine Industry • Leather and Leather Goods Industry • Hospital and Clinic • Automobile Industry • Bio-gas Project

Dhaka EPZ

Contribution (%) of Industry to Gross Domestic Production (GDP) (Based in Fiscal year 1995-1996 of Production GDP) By Crore

Type	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Midium and large Industry	41735.0	44229.8	49,069.9	54,232.3	59830.6
% of GDP	12.71%	12.68%	13.20%	13.75%	
Samll and other industry	17018.9	18340.9	19411.9	20664.7	22,061.9
	5.18%	5.26%	5.22%	5.26%	

Source: Statistical year book of Bangladesh, BBS, August-2013

Developed and underdeveloped Area

Bangladesh is underdeveloped in industry. The industrialization process is still very slow because of some problems and obstacles. Firstly, underdeveloped socio-economic infrastructure such as roads and highways, lack of electricity and gas, lack of good transport and communication system, lack of technical knowledge and efficient labor, conflict between labor and owner, labor unrest etc. are the reasons for obstructing the development of industrialization. Besides, the whole country is not developed in industry equally at all the place. As a result differences are noticed among districts in respect of industrial

development. As per 2010 Industrial Policy; a list of developed and underdeveloped district according to industrialization are mentioned. The list is as follows:

Division	Developed District	Under Developed District
Dhaka	Dhaka, Narayangonj, Narshingdi and Gazipur,	Jamalpur, Sherpur, Netrokona, Kishoregonj, Mymenshing, Tangail, Rajbari, Gopalgonj, Shariatpur, Madaripur, Faridpur, Manikgonj and Munshigonj
Chittagong	Chittagong, Cox's Bazar, Brahminbaria, Chandpur, Comilla, Feni, Noakhali and Lakshipur	Khagrachari, Rangamati and Bandarban
Rajshahi	Bogra	Jaipurhat, Naoga, Chapainowabgonj, Rajshai, Natore, Sirajgonj & Pabna
Rangpur		Rangpur, Panchagar, Thakurgaon, Dinajpur, Nilphamari, Lalmonirhat, Kurigram and Gaibandha.
Khulna		Chuadanga, Meherpur, Kushtia, Jhinaidah, Magura, Norail, Jessore, Satkhira Khulna and Bagerhat
Barishal		Barisal, Jhalkathi, Pirojpur, Potuakhali, Barguna and Bhola
Sylhet		Sylhet, Sunamgonj, Moulvibazar and Hobigonj

Activity-3: Select your own district and find out the reasons for its being industrially developed or underdeveloped		
Name of your district	**Industrial Position**	**Reasons for developed /underdeveloped in Industrialization**

EXERCISE

Multiple Choice Question (MCQ)

1. When was the last national 'Industrial Policy' declared?

a. 2009 b. 2010

c. 2011 d. 2012

2. Which of the following is small industry?

a. Industry having 100 nos. of labor

b. Organization having investment of more than 10 crore,

c. Fixed asset installation cost taka 5 lac to taka 1 crore

d. Industry formed with family members

After reading the following paragraph, answer question No. 3 & 4:

Mr. Sadif makes various kinds of showpiece with mud with the help of his family members and sells those in his shop and earns profit. The neighbours of Mr. Sadif have also been encouraged to form this type of industry.

3. What type of industry of Mr. Sadif is?

a. Small Industry b. Cottage Industry

c. Medium Industry d. Large Industry

4. Mr. Sadif contributes to the national economy-

i. Employment Generation

ii. Enhancement of Standard of Living

iii. To preserve the tradition of the country

Which one of the following is correct?

a. i & ii b. i & iii

c. ii & iii d. i, ii & iii

Creative Question

1. Rashik established an industry of Jute and Jute Goods with an investment of Tk.11.00 crore at Fulpur village in Mymenshing district in Dhaka Division which is a famous place for jute cultivation. His friend Rafi established the same industry with the same investment in Rajshahi where sugarcane is grown amply. After a certain period of time Rashik's company made more profit than Rafi.

a. How many types of industry are there in broader sense?

b. What do you understand by service industry? Explain.

c. What is the type of Mr. Rashik's industry considering investment? Describe.

d. Analyze the reasons for Rashik's industry making more profit.

2. Considering the continuous demand for electricity, Ms. Jarin Tasnim of Cox's Bazar set up a windmill for producing electricity by the sea taking permission from the government. She supplied the electricity produced from using the sea wind to different places. Her investment in this industry is more than Taka 3.00 crore.

a. How many types of industry are there on the basis of investment?

b. What do you understand by Cottage Industry? Explain

c. What is the type of Ms. Jarin's Industry? Describe.

d. 'The economy of the country shall be progressive with the help of Ms. Jarin's industry' – evaluate the statement.

CHAPTER EIGHT

Management of Business Organization

There is a correlation between the development of management and the evolution of the civilization. Initially, management was based on family and group. The concept of management spread over all spheres of life with the progression of civilization. The concept of management got huge popularity from the business operating method of the businessmen. Generally, Management is the process of making others to do necessary jobs to achieve a certain objective. In this chapter, we will learn about the concept of management, activities and various elements of management in an organization.

After reading this chapter, we will be able to –

- Explain the management concept and activities.
- Describe the concept and necessity of planning.
- Explain the concept and importance of organizing.
- Describe the concept of leadership and its types
- Identify the quality of a good leader
- Describe the concept and sources of financing of a business

Concept of Management

Mr. Rahman has been operating a business of fabrics for five years. All kinds of fabrics and readymade garments are available in his shop. Many buyers come to his shop every day. He has been operating the business alone. He started to think about appointing a staff with the expansion of the business. Recently, he has recruited a staff. As a result, he was relieved a little bit from the work load. But, after some days, the customers of the shop brought charges against the staff for opening the shop late and complained about his misbehavior. Mr. Rahman listened to his customers attentively and advised the staff to protect the goodwill of the business. The staff realized his fault. He got motivated to work more attentively in future.

In the above mentioned story, thinking of appointing staff, recruitment of the staff, giving attention to the customers objection against the staff and taking measures accordingly, all these activities of Mr. Rahman are the part of his business management.

Management is the efficiency and strategy of doing things by utilizing others potential. According to Henry Fayol who is known as the father of the modem management "Management is the combination of forecasting and planning, organizing, commanding, coordinating and controlling." Some features of management are:

- Management is a systematic process of some tasks.
- Management is operated to achieve a predefined goal.
- Management is a process based on team
- Management is a continuous process. It is necessary to take new strategy of management with the passage of time.

Functions of Management

All the activities performed to achieve a predefined goal is known as management. Many activities have to be performed under management to achieve the defined target through operating the human resources and other elements of business. The functions of management are descried below:

1. **Planning:** Planning is the guideline for future work process. Planning is the process to specify that what jobs to be done, who will do them, when and how it is to be done in future to accomplish the predefined goal of the business organization. Planning is the first job of management.

2. **Organizing:** Organizing is known as the process of accumulation of human resources and other elements of the business for proper utilization and distribution of power and responsibilities among the workers and building interpersonal relationship among them.
3. **Staffing:** Major element of an organization is its work force. It is termed as the human resources of the company. Staffing includes collection of worker, selection, recruitment and training, promotion, transfer and lay off.
4. **Directing:** Direction is called to commanding the workers to implement the plan. The manager gives order to the worker about when, what and how to do a job. Workers can show most efficiency if the direction is appropriate. That is why many has compared direction with leadership
5. **Motivation:** Motivation is the process of making the worker attracted and encouraged towards the job of the organization. Because of motivation, the workers become responsible and perform with quality.
6. **Coordinating:** Coordination means effective communication between the workers of the organization, various divisions and departments. Through coordination all the workers form a team which help them to perform with unity.
7. **Controlling:** Controlling refers to the activities related to looking after whether the works are done according to the plan, finding variances if any, and taking corrective measures if necessary. Controlling makes the implementation of planning easier.

   Due to effective and corrective measures of controlling business organizations lead to development overcoming internal and external barriers and obstacles. However, it can be ensured through controlling whether the appropriate work is being done in appropriate way and time.

Concept of Planning:

The teacher of Business Entrepreneurship, Mr. Kohinur entered the class and exchanged greetings. The students also welcomed him spontaneously. He wanted to know about the experience of visiting a factory before starting the discussion of classification of industry.

He found that most of the students do not have any practical experience of o0 visiting a factory. All the students become overwhelmed with joy when they heard about his intention of visiting the BSCIC industrial area of the district. He

made everybody calm down and said that they need to take permission from the Head Master. Besides, some more things are to be ensured:

- When to go.
- How to go.
- How many teachers and students shall accompany.
- How to contact the authority of the visiting company.

At last he asked the students: What can it be called to forecast or thinking to visit the factory. The students replied in chorus: Planning. He thanked everybody. He told them that the prior thinking or forecasting before starting a job is called planning. To say more vividly Business planning is the advance decision making process of what to do, when to do, where to do and within how much time to spend about implementing a particular job. Correct planning helps to achieve target easily. With the help of planning, proper utilization of assets and elements of the organization is ensured. Duties and responsibilities can be distributed among the workers appropriately through planning. As a result, they become responsible and efficient.

Activity-1: Why is it necessary to have a planning for a business organization?
• • • • • •

Concept and Importance of Organizing

Mr. Proshanto Das, the owner of the 'Ashar Bani General Store' has been doing business in his locality with reputation for long. He has accumulated various products like readymade garments, cosmetics, baby foods and toys from Dhaka and Chittagong. But, the most lucrative thing in his business is the various kinds of pickle made by himself. Every year he buys Mango (aam), Hog Plum (ambra), Jujube (borui), Olive (Jolpai), and Amla (amloki) from the local market to make the pickle and sell them. For this reason, seasonally he appoints some women to help him to make and bottle the pickle in exchange of fixed salary. His pickle gets reputed day by day. He decided to open a separate division to make and sell the pickle. He permanently appointed the women who were temporarily

helping him to make pickle. A person was appointed as manager. He distributed the responsibility of collecting raw materials, making and preserving the pickle all the year round.

All the jobs done by Mr. Proshato Das is the part of management of the business. These works are called organizing.

As per planning Mr. Proshanto has accumulated and coordinated the human resources and other elements of the business for proper utilization and has distributed jobs among the workers with duties and responsibilities. Organizing helps a company to achieve the objectives in an easy way. Proper utilization of the assets of the company is ensured. Controlling and operating the workers and employees working in the organization becomes easier. The velocity of work increases with the help of strong interpersonal relationship.

Activity – 2: Significance of organizing a business firm
• • • • •

Concept of Leadership

Mr. Arshad started his business M/s. Akhitara Furnitures with a small capital. But, his hard work, honesty and efficiency to direct the workers and eagerness to be successful in business has made him a special person in the society. Now, five branches of his business are running with reputation. He listens to the workers demand and complains attentively and tries his best to solve their request. On the other hand, the workers are also working in the organization with sense of belonging, always trying to increase the goodwill of the business by fulfilling the demand of the customers.

From the above story we find the following qualities of Mr. Arshad:

- He is hard working
- He is honest
- He is efficient to direct the workers
- He has strong inclination for the development of the business.

- He is cordial to listen to workers demand and objections and positive to solve the problems.

All the above mentioned qualities of Mr. Arshad can be called the quality of leadership. In case of business, leadership means the quality and strategy to encourage workers to perform jobs to achieve some particular goal.

Clasification of Leadership

Sl No.	Nature of Leadership	Features/Characteristics
1.	Democratic Leadership	• Leader consults with the subordinates • Take advise from the subordinates • Collects information from the workers • Gives the workers opportunity to ask question • Answers them • Expects accountability • Accountable to the worker • Workers feel them to be a part of the organization.
2.	Autocratic Leadership	• The leader only gives order, there is no accountability • Relies solely on his own power and capability • Can not rely on the ability of the workers • Never takes the opinion or advise of the workers • Keeps negative mentality about the workers • Keeps workers always under pressure • Workers never take ownership responsibility of the business.
3.	Laissez Faire Leadership	• Leader remains tension free after assigning responsibilities to the subordinates. • Leader does not like to work by himself • Do not give particular order to the workers. • Workers do not have the accountability • Workers can work of their own will. • Takes more time in decision making • The success of the organization depends upon the good interpersonal relationship and team work

4.	Bureaucratic Leadership	• Leader orders the worker to get the work done. • Workers give priority to the ideology than the leader and are bound to follow them • All the time workers have to follow the rules • Order of the leader is more important than the leader himself and discipline than personal relationship is more important.

Activity -3: Complete the following chart by analyzing the different types of leadership

Types of Leadership	Advantages	Disadvantages
Democratic Leadership	•	•
	•	•
	•	•
	•	•
Autocratic Leadership	•	•
	•	•
	•	•
	•	•
Laissez Faire Leadership	•	•
	•	•
	•	•
	•	•
Bureaucratic Leadership	•	•
	•	•
	•	•
	•	•

Qualities of Ideal Leaders

He who leads is the leader. The task of the leader is to encourage and motivate the workers of the organization to achieve the defined goal of the business. A leader must have some qualities or characteristics to perform the serious task of a leader. Because, the good quality of a competent leader can make the success of the company easier, and in a similar way their incompetency can fail the organization. The qualities of an ideal leader are analyzed below:

1. **Physical capacity and soundness:** A leader has to take physical and mental pressure and perform physical labor. For this reason, his physical capability is important as well as his mental and physical soundness. Besides, his physical structure should also be attractive.
2. **Keen Personality:** The leader should be calm quiet in nature. The subordinates honor a leader having decent attitude and attractiveness.
3. **Education and Experience:** Formal education helps a man to achieve many positive knowledge, efficiency and view. Besides, experience makes them enriched. So it is expected that a leader should be educated and experienced.
4. **Courage and Honesty:** Leader has to always lead from the front. He has to perform a lot of challenging and risky job. He has to be courageous just and honest. Because, he earns the trust and honor of others with his honesty and courage.
5. **Hard working and flexibility:** Hard work is the key to performing any job well. A leader has to work hard to carry out his responsibility. If, the leader is lazy, does not do work and becomes tired, then it becomes difficult to direct the subordinates. Besides, if he does not have flexibility, it will be difficult for him to lead.
6. **Responsibility and Cooperation:** Leader's sense of responsibility works as a motivating factor for the workers. On the other hand, cooperative mentality to all makes it easier to achieve the goal of the company easily.
7. **Organizing Efficiency:** A leader must have efficiency in all aspects of the organization so that he can find the right people for the right job.
8. **Realizing human resources relation:** A successful leader must have the quality to realize the expectations, qualification, personality, taste, point of view of the subordinates. Effective and long run results cannot be expected if leading is not done considering the mentality of the subordinates.
9. **Power to take decision:** Success of the organization depends upon taking the right decision at right times. Leader has to take decision on the basis of his wisdom and far sight. Decision taken by the leader increases the reliability and mental strength of the subordinates.
10. **Gender Awareness:** A leader is always compassionate and shows honor to the subordinates whether they are men or women. He must be neutral. He has to lead considering the different mentality of men and women and their social status.

Activity -4: Through Self analysis, try to find out what qualities of a leader do you have and which one needs to be improved.

Qualities of a Good Leader	Yes	No
• Physical capability and soundness		
• Keen Personality		
• Education and experience		
• Courage and honesty		
• Hard working and flexible		
• Responsibility and Cooperation		
• Organizing Capacity		
• Realizing human resources relations		
• Power to take decisions		
• Gender Awareness		

Concept of Finance in Business

Samir Chakma of Rangamati wasted a year in searching for a job. Many of his friends are still studying, some of them have been engaged in job or business. At last, he decided to start a business. He has his own shop near the government school at Upazila. He is interested to start a stationary business in the shop. His parents became very happy at his decisions. But, they were thinking about arrangement of capital. At last, to start the business, he arranged taka 1.00 lac from his father and taka fifty thousand from his aunty. His uncle from abroad agreed to pay taka one lac. His father advised him to be careful in using the money. He was also informed that it is possible to take loan from a commercial bank. In the above story, to operate the business of Samir Chakma, planning, sourcing, collection and utilization of fund, al these activities are known as Finance.

Generally, Finance means collecting funds for business. But, in broader sense, Business finance is all the activities related to meet up the required fund for business through collection, preservation and proper utilization of fund.

Sources of Finance

Fund or capital is necessary for any type of business. This fund is necessary to start the business, maintaining the business, running and expanding the business. There are opportunities to collect fund from different sources. These are discussed below-

1. **Own Source:** Small business like sole proprietorship or partnership business the owner arranges the required fund to start the business from his own source.
2. **Relatives:** If the fund from the own source of the owner is not sufficient, he may borrow from relatives, friends and other well wishers.
3. **Commercial Bank:** All the government and non government commercial banks including Sonali Bank, Janata Bank, Rupali Bank, Agrani Bank extend short term, mid term and long term loan to the business people. Normally, the commercial banks are the main source for financing the business.
4. **Co-operative Bank:** Co-operative Banks extend short term loan to its members. It also extends loan to non members as well.
5. **Grameen Bank:** Grameen Bank extend short term loan to set up small size business.
6. **Krishi Bank:** Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank extend short term and long term loan for the development of small and medium size enterprise.
7. **Bangladesh Development Bank Ltd.:** This bank provides short term, mid term, and long term loan for industrial development of the country.
8. **Bank of Small Industries & Commerce:** This bank is the long term source for fund for the small business and industries. It is known as the Basic Bank Limited.
9. **Non-government Development Organization:** There are a number of non government organizations who provide loan to the small business against interest.

Activity -5: Put tick mark on the organization having possibility to get loan from and otherwise put cross mark	
Sources of Fund	
Sonali Bank	
Agrani Bank	
Janata Bank	
Rupali Bank	
Cooperative Bank	
Grameen Bank	
Krishi Bank	
Bangladesh Development Bank	
Bank of Small Industries & Commerce	
Non government Organization (NGO)	

EXERCISE

Multiple Choice Question (MCQ)

1. How many types of leadership are there?

a. 2 b. 3
c. 4 d. 5

2. Management is -

a. Strategy to influence the customer to buy product
b. Transferring the products from the manufacturer to the consumer
c. A strategy to make others do things.
d. Taking steps to justify the demand for a product in the market

After reading the following paragraph, answer question No. 3 & 4:

Mr. Tasnim took some advance decisions before starting "Dhanshiri Departmental Store". Such as; where to set it, who will operate it and how to source the capital. As a result, it saved him time in different tasks. At present, he is running the business with reputation.

3. Which of the following is similar to the task of Mr. Tasnim before starting his "Dhanshiri Departmental Store"?

a. Planning b. Market Demand
c. Selecting the Project d. Organizing

4. The step of Mr. Tasnim to set up the business-
   i. will be helpful to achieve goal
   ii. will assist to increase the efficiency at work
   iii. will reflect the personal willingness
   Which one of the following is correct?
   a. i & ii b. i & iii
   c. ii & iii d. i, ii & iii

Creative Question

1. Hashi-Khushi Nakshi Ghar" is a reputed organization in Jamalpur. Its owner Mr.Mahin is very careful to collect materials for the business. Give advice to the workers if necessary. To maintain success in the long run, he recruits worker and arranges training for them considering the importance of efficient worker for making Nakshi katha and other items.
   a. Who is the father of the modern management?
   b. What do you understand by motivation? Explain.
   c. Describe the task of Mr. Mahin in the paragraph.
   d. Analyze the reasons for "Hash-Khushi Nakshi Ghar" becoming reputed organization.

2. Yafi and Shafi are two friends. Their business is situated near to each other. To operate the business, Yafi takes decision after consulting with the workers and taking their opinion. But, Shafi imposes his decision on the workers and are not aware of its influences. Shafi's business failed because of worker dissatisfaction.
   a. What do you call the person who leads?
   b. What do you understand by gender awareness? Explain
   c. What type of leader is Mr. Yafi? Describe.
   d. 'The reason for Shafi's failure is his incompetency in influencing the worker' – evaluate the statement.

CHAPTER NINE
Marketing

Rafina is the student of class ten at Rasulpur village. Her father is a renowned vegetable farmer in their village. He grows various types of vegetables including Okra, tomato, hyacinth bean, bottle gourd, sweet gourd, brinjal etc. It is very wonderful to see the growing vegetables in the field. A lot of people from the village buy vegetables from him when he plucks them at the field. The rest of the vegetables are washed and cleaned and taken to market for selling arranged beautifully on a large basket. He is also careful so that the vegetables are not damaged. Rafina during her off days helps her father in the vegetable field for caring and plucking them. People from neighboring village also like his vegetable and buy them. She feels proud of her father's reputation.

In the above mentioned story, growing vegetables, conserving and selling it to the ultimate buyer, all tasks are referred to Marketing. In this chapter, we shall learn about the concept of marketing, activities, advertisement and other aspects of marketing.

After reading this chapter, we shall be able to –

- Describe the concept of marketing.
- Explain the activities of marketing.
- Describe the concept and types of distribution channel.
- Explain the marketing process of different goods
- Explain the concept of advertisement and its importance
- Mention the name of the media for advertisement and explain their activities
- Describe the concept of salesmanship and quality of a good salesman.

• Concept of Marketing

Generally, buying and selling of goods and services can be termed as marketing. But, in real sense the concept of marketing is wider. Marketing refers to all the activities related to supplying the goods and services from its manufacturer to the consumers. It means that marketing is the combination of all the activities from buying, selling, transportation, storing, standardizing, grading etc.

Marketing has special importance in todays business world. Because, success of a business not only depends upon the production of the products, it is also necessary to arrange to supply them to the consumers. Through marketing, the consumers can get quality goods and services. Effective marketing helps to increase production. With the improvement of marketing, industry, commerce and services also develop. It helps to create huge employment opportunity.

• Functions of Marketing

Marketing works as a bridge between the manufacturer and consumers. Marketing helps to create utility of possession, place and time of goods and services. The functions of marketing are analyzed below:

1. **Buying:** Buying is one of the main jobs of marketing. Goods and services are bought to use or reselling. Through buying of products and services ownership is established.
2. **Selling:** Another important task of marketing is to bring the buyer and seller together. Through selling the ownership of goods is transferred. Estimating the demand for products, buyer searching, pricing all are related to selling.
3. **Transportation:** Transportation creates the utility of place for a product and generates demand. Goods and services are transported from one place to another. In this way the products reach to the consumer from the manufacturer. With the help of transportation we have been able to use the electronic products manufactured in China. Similarly, shrimp/prawn or tea of our country is consumed by the people of other country.
4. **Warehousing:** Warehousing creates the utility of time of goods. At every stage of marketing, storing of goods is necessary. Many goods are grown at a particular season of the year and used over the whole year. To meet the demand all round the year, goods are stored in warehouse. For example,

potato and tomato grown in the winter are available during the whole year with the help of warehousing.

5. **Standardizing:** Pricing of products is possible by standardizing them on the basis of quality, size, color and taste. As a result, the marketing of product becomes easier and velocity of sales increases.
6. **Grading:** Classification of products on the basis of quality is called grading.Generally, grading is done considering the weight, size and quality of product. As a result, sales become easier.
7. **Packaging:** Covering the products to look good and attractive and protect them from breakage is called packaging. Acceptability and sale of Industrial product such as freeze, television, soap and agricultural product such as pastured milk, fish and meat to the consumers depends upon packaging.
8. **Collection of Information:** Collection of information related to goods and services is also a task of marketing. To know the demand and supply of a product, buyers or consumer's choice and taste; gathering of information is necessary.
9. **Consumer Analysis:** Another important function of marketing is to analyze the consumers' taste, demand, characteristics and interest. Because, if this task is not done properly, the risk of the business increases and expansion of business is hindered.

Activity – 1 : On the basis of discussion above try to find out the importance of Marketing through team work.
• • • • • • • •

• Concept of Distribution Channel

Sometimes, the manufacturers sell their produced goods to the consumers directly. But, in most of the cases, direct selling to the consumer is not possible. As a result, presence of intermediaries becomes necessary.

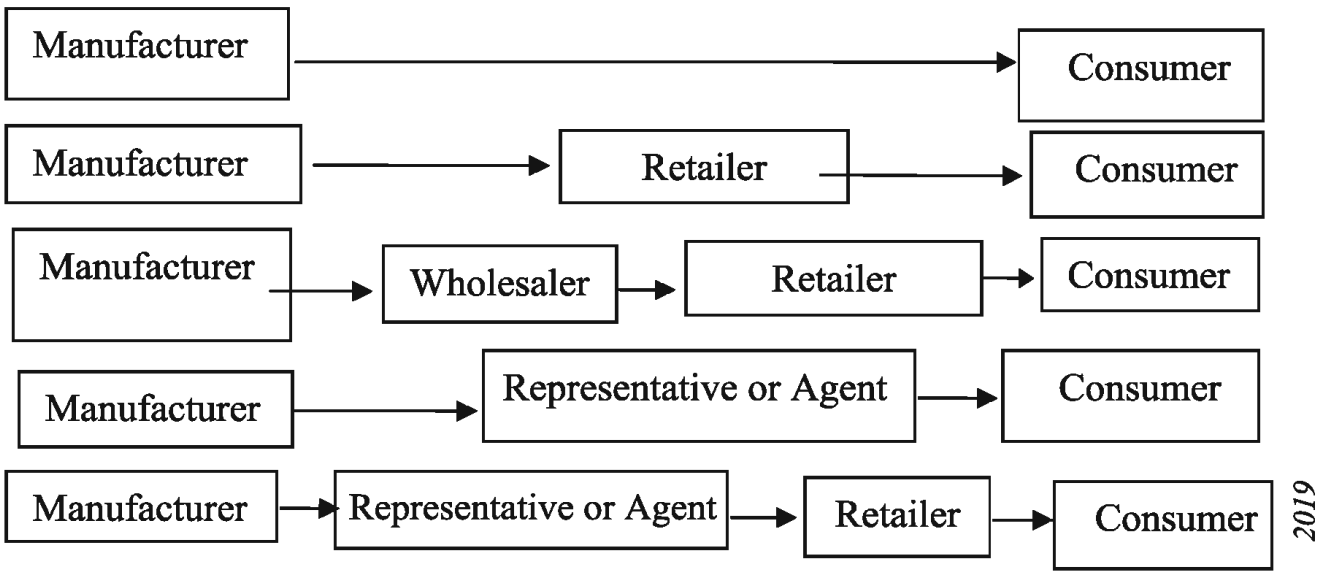
Business intermediaries work as bridge between the manufacturer and the consumer. Helps from the wholesaler and retailer is to be taken as business intermediaries in buying and selling as part of marketing. Distribution channel is known as the process to reach the goods and service from its manufacturer to the consumer. For example, consumers do not buy tea from its manufacturer which is produced at tea garden, rather the wholesaler buys it from the manufacturer. Then, he sells it to the retailer. Consumers buy tea from the retailer. In this way, the products reach the destination of consumer through a particular channel.

- **Distribution Channel and Marketing of Different Goods:**

Distribution channel depends upon the nature and types of goods and services. Distribution channel of different products are shown below:

1. **Direct Sales:** When the goods manufactured are directly sold to the consumers without the help of any intermediaries it is called direct distribution. Some agricultural products such as paddy, fruits, vegetables and industrial products such as molasses, sugar etc. are directly sold to the consumers.
2. **Selling through Retailer:** In some cases, to sell the goods and services, assistance is taken from the retailer as business intermediaries. The manufacturers sell their goods to the retailer and the retailer supplies them to the consumers as per demand. Normally, paddy, rice, potato, soap, biscuit, vermicelli etc. are sold and distributed through this channel. The manufacturers sell the product to the retailer at local hat and bazaar.

Diagram of various distribution channels:



3. **Selling through Retailer & Wholesaler:** Through this process, the manufacturer sells the products to the wholesaler and wholesaler sells them to the retailer and the retailer sells the products to the consumer. Places where agricultural products are grown in vast, the wholesaler buys goods from those places. Normally, paddy, jute, mustard, mango, banana and different types of vegetables are bought by the wholesalers. On the other hand, industrialized products such as paper, pens etc. are also bought by the wholesalers. At last those products reach the consumers via retailer.
4. **Selling through Representative or Agent:** In many cases, the manufacturers appoint representatives or agents at different places of the country and sell their products through them to the consumer. Various types of electronic goods such as TV, Freeze, Fan, agricultural products like fertilizer, seeds etc. are distributed through this channel.
5. **Selling through Representatives/ Agents and Retailer:** In this process, the manufacturer supplies the goods to the representatives or agents as per demand and then the agents supply their products to the retailer with the help of their own transportation. The consumers then can buy the products from the retailer. Various types of soft drinks and cosmetics are sold through this distribution channel in our country.

Activity -2 : Try to make a list of the daily products bought by your family and identify which distribution channel is used for them.	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

• Concept of Advertising

After closing of the school, Irfan saw a person distributing a paper at the school gate.He was also given one. It was written that a new stationary shop was going

to be opened at their bazaar. Where, they will be able to find books, papers, pen, pencil, bag and other related things at a cheaper rate. On the inaugural occasion, every buyer will be presented with a colorful calendar. After returning home, he showed the paper to his elder brother and he told that it was a leaflet. These are distributed for the campaign of any business.

From the above event, the leaflet distributed for the general buyers of their shop is a media of advertisement. Advertisement is strategy or way to attract the attention of the mass to a particular product or service. Every day, we see or hear a lot of different attractive advertisement on television, radio and paper. Other media for advertisement are leaflet, magazine, transport, billboard, signboard, internet etc.

Billboard of an advertisement (Teletalk)

Different Types of Media of Advertising

There are various medias for advertisement. A single media is not used for all kinds of business or products. The media for advertisement is selected on the basis of demand, quality, price and buyer of the product. Different media for advertisement and their nature is mentioned below:

Media for Advertisement	Type
Newspaper	Different pages or particular pages of various dailies or weeklies
Periodicals	Weeklies, fortnightlies, monthlies and annual periodicals, consumer's periodicals, agricultural periodicals, women periodicals, finance periodicals etc .
Circular Letters	Circular letters mentioning the product's quality, characteristics, price and available place.

Hoarding	Advertising plate at important place of road side
Poster	Beautiful picture and interesting writings on poster at places of mass movement.
Television	Visible and hearable attractive slide, ad
Radio	Spot advertisement, Courtesy Advertisement, Commercial Advertisement, Jingle, National advertisement, Regional advertisement
Cinema	Showing slides at the starting of the movie, during the interval and at the end of the movie
Window Display	Decorating different products in a glass cage.
Fair/Exhibition	Advertisement through participating in Boishakhi mela, Industry Fair, Trade Fair, Cottage Industry Fair, Meenabazaar etc.
Sample	Delivering the buyer with samples. Generally, Pharmaceutical companies, book seller, cosmetics seller distribute samples of their products
Neon Sign	Lighting of various products through neon sign at important places in the city .
Car Advertising	Advertising on various public transports. Cinema, Soap, Cigarette, Soft drinks all these products use transport advertisement.
Others	Banner, Festoons, Signboard, Sticker, Gas Balloon, Sky advertisement.

Importance of Advertisement

Advertisement is a very effective media for distribution of products and services at this competitive business world for the small, medium and large business enterprises. The importance of advertisement is described below:

1. Through advertisement, the quality of product, its price and uses are revealed to the mass. As a result, demand for the product increases which increases the production, sales and profit.
2. Advertisement helps to enhance the goodwill of the business which is a important asset of an organization. Increased goodwill helps expansion of the business. Advertisement also helps to maintain the goodwill.
3. Advertisement brings velocity to the campaign of the product. Demand of the product, sales and total production increases which results in increase gross domestic production.

4. Advertisement creates demand for a product and businessmen ensure to supply the product accordingly. Equilibrium is maintained between demand and supply and stability of price is established.
5. Because of advertisement, market of the product expands and business increases. As a result, employment opportunity generates and unemployment problem is solved.
6. The general people become acquainted with new products and service with the help of advertisement. As a result, propensity to consumption among them increases. Their standard of living also increases with consuming quality products.
7. Advertisement helps to create social and ethical awareness which helps to ensure social welfare and social development. For example, awareness about quality and inferiority of products, awareness of negative impact of smoking, awareness about aids, advertisement can play a vital role.
8. Advertisement awakens the patriotism among people and motivates them to buy their own products. "Be proud buying the product of own country" -this type of advertisement encourages to uphold patriotism and nationalism.

Activity -3 : Make a list of the products for which you see advertisement at various media.	
•	•
•	•
•	•
•	•
•	•
•	•
Write down the reason(s) how an advertisement has attracted you.	
Name of the Advertisement	**Reasons for attraction**
•	•
•	•
•	•
•	•
•	•

• Concepts of Salesmanship

Salesmanship is the technique or efficiency of a person by which he/she can sell a product to a person by attracting him with his quality. A salesman earns the trust of the buyer about the business and products and makes them a permanent buyer on the basis of long term relationship.

• Qualities of a Good Salesman

The role of a salesman at this competitive business world for increase of sales and success of the business is very significant. In many cases, the success or failure depends upon the quality of a salesman. A salesman must inherit a number of good qualities to impress and attract the buyer and consumer to make them permanent customer. The qualities of salesman are analyzed below:

Physical Qualities
1. **Good looking face:** Good looking face can easily attract the attention of the buyers 2. **Good Health:** A salesman must be of good health. Because it helps to attract people 3. **Nice smile:** Smiling face of the salesman gives the buyers extra motivation
Mental Quality
4. **Willingness and cordiality:** A salesman must have interest in his work. Cordiality to the buyer and respect towards self job increases the goodwill of the business. 5. **Confidence:** To make goods acceptable to the buyer; the salesman must be confident. 6. **Keen intelligence:** It is necessary to realize the interest, mentality, attitude of the buyers' and ability to face unwanting situation with charm. A salesman must have keen intelligence. 7. **Patience:** A salesman must have patience.
Ethical Quality
8. **Honesty and Trustworthiness:** A salesman must show his honesty and trustworthiness to the buyers through his transaction and dealing with them. Honesty and trustworthiness make the buyer permanent customer. 9. **Decent behavior:** A salesman is to be gentle, modest, kind and smart in his behavior. 10. **Ability to mix with people:** A salesman must have the quality to mix with the customer freely so that he can be friendly with them and convert them to permanent customer. 11. **Gender Awareness:** How to behave with different people such as men - women, boys-girls, aged people, the salesman must have awareness in this regards.

12. **Positive Attitude:** An ideal salesman always keeps positive mentality about his customers. If any body uses any bitter words about a product or price, he must be influenced positively with smiling face.
13. **Education and experience:** A salesman must have sufficient education and experience so that he can use them when necessary at the business
14. **Knowledge of Distribution:** A salesman must have efficiency on the tasks like selection, collection, pricing, standardizing, packaging of products.
15. **Efficiency in Accounts:** A salesman must have efficiency and knowledge of pricing and accounting of products.

Activity-4 : Through self analysis, identify the qualities of an ideal Salesman present in you and which qualities need improvement.

Qualities of Salesman	The qualities you have (put tick mark)	The qualities need more improvement (Put tick mark)
Attractive Personality		
Good Health		
Nice Smile		
Interest and cordiality		
Keen Intelligence		
Patience		
Honesty and trustworthiness		
Ability to mix with people		
Gender Awareness		
Education & Experience		
Knowledge of Distribution		
Efficiency in accounts		
Positive Mentality		

EXERCISE

Multiple Choice Question (MCQ)

1. What is the main task of marketing?
   a. Buying b. Selling
   c. Transportation d. Warehousing

2. Why advertisement for a product is done -
   a. To increase the price of the product
   b. To give the idea about the product
   c. To know the market of the product.
   d. To create entrepreneur

After reading the following paragraph, answer question No. 3 & 4:
Mr. Rubel is a cultivator of watermelon. He himself carries and sells the grown watermelon to the local market. He is trying to find other strategy of selling goods since the production has increased.

3. Which of the following is Rubel's distribution channel?
   a. Manufacturer → Consumer
   b. Manufacturer →Retailer
   c. Manufacturer →Retailer →Consumer
   d. Wholesaler →Retailer

4. Using the right distribution channel by Rubel-
   i. Reduces the gap between buyer and seller
   ii. Buyer gets the product at less price
   iii. Distribution functions become easier

   Which one of the following is correct?
   a. i & ii b. i & iii
   c. ii & iii d. i, ii & iii

Creative Question

1. Shovo's selling decreases because of a similar type of new shop is set up beside him. As a strategy to increase his sales, Shuvo appointed a salesman who is good looking and well-spoken. After several days his sales return to the previous level.
   a. With what products can be attractive?
   b. What is standardizing? Explain.
   c. What qualities Shuvo has considered to recruit the salesman?
   d. Evaluate the steps of Shuvo to increase his sales.

2. There is a new shop name 'Ador Store' on the highway. But, for some reasons the sale of that shop is not good. Recently, the owner of the shop distributed a leaflet among the houses of the locality with the help of a newspaper hawker introducing his shop, nature of service, quality of products and name of different products available. After some days, it was found that number of customers and sales of the shop are increasing.
   a. Who is the last party in the distribution channel?
   b. What is grading? Explain
   c. What media for advertisement did the owner of Ador Store select? Explain.
   d. 'Steps taken by the owner is one of the strategies to increase sales' – Express your opinion.

Assignment : collect information about the marketing conditions of the products of a manufacturer in your area and present them in the classroom.

Steps : Collect data through interview, presentation of data, Analysis of data, Personal opinions.

CHAPTER TEN

Assistance for Entrepreneurship Development

Different types of assistances are necessary to take initiative to establish a business firm. These assistances motivate the entrepreneur to set up the business or industry and operate them successfully. In this chapter, we shall learn about various assistances provided by Bangladesh Industrial policy, different Government & private commercial banks and non-government development organization.

After reading this chapter, we shall be able to –

- Explain the concept of Assistance.
- Mention the types and sources of assistance for business in Bangladesh.
- Describe the types of assistance mentioned in the Industrial Policy.
- Describe the types of assistance provided by Bangladesh Small and Cottage Industries Corporation.
- Describe the types of assistance provided by the commercial banks.
- Describe the types of assistance provided by the Non Government Development Organizations.

- **Concept of Assistance for Entrepreneurship**

To start a new business or industry is a creative and structural job. But, risk is also involved with this. As a result, nobody wants to come forward to take this job. For this reason various assistances are necessary. Assistance favoring motivates a potential entrepreneur to set up business or industry and run it smoothly. On the basis of nature of assistance, it is classified in three types: Motivating, Supporting and Preserving. Motivating assistances include different types of training, awareness of opportunities for investment, huge campaign of government support relating to establishing industries, technical and economic information sharing and providing consultancy. With the help of supportive assistance, the entrepreneur gets facilities related to establishing industries, operation, utilizing assets and other benefits. Registration, supply of capital, infrastructural support, tax holiday, subsidy etc. are mentionable supportive assistances. On the other hand, preserving assistances include the supports to remove the hindrances to maintain the operational activities and expansion of business.

Sources of assistances in Bangladesh like other countries of the world, various government and non-government institutions have been formed which are helpful for business entrepreneurship and setting up business and there are contributing to trade and commerce. There institutions provide necessary direction and assistance for entrepreneurship of business and industry, setting up industry and marketing goods in the country. Besides, various helpful aspects of business entrepreneurship have been mentioned in National Industrial Policy which can be motivational for many people.

A list of such institutions is given below:

Sources of Assistances
1. Bangladesh Small and Cottage Industries Corporation
2. Bangladesh Development Bank Limited
3. Commercial Banks
4. Bangladesh Industrial Technical Assistance Centre
5. Bangladesh Council for Scientific and Industrial Research.
6. Directorate of Youth Development
7. Directorate of Women Affairs
8. Non Government Development Organization

Bangladesh Small & Cottage Industries Corporation

While working as a Minister of Labor, Commerce and Industry under the Juktafront Government in 1957, Father of the nation Bangabandhu Sheikh Mujibur Rahman placed the bill to the parliament to establish a "Small and

Cottage Industries Corporation". As a result of this, East Pakistan Small and Cottage Industries Corporation (EPSCIC) was formed on 30th May 1957 which is named as Bangladesh Small and Cottage Industries Corporation (BSCIC) after independence. Its 55th anniversary has been celebrated in 2012 with immense pride. At present BSCIC has been working as a main assisting body for the development of the small and cottage industries Bangladesh. The corporation is supervised under the Ministry of Industry. The main objective of this corporation is to provide investment advice for the development of this kind of industries. Other assistances provided by BSCIC are as follows:

- Providing information related to industries
- Selecting entrepreneur
- Development of industrial entrepreneurship
- Selecting of project
- Evaluation of project
- Infrastructural development
- Management and Efficiency Development
- Designing of Product
- Assistance in Supplying Raw Materials
- Assistance in distribution of finished goods
- Registration of Small and Cottage Industries

For the above mentioned assistances and any other advice for setting up an industry, an entrepreneur has to communicate with the district BSCIC Industry Assistance Center. Till April, 2012 we had 74 BSCIC industrial area, training institute and 4277 factories in our country. 33 lac 81 thousand people are working in these factories.

Bangladesh Development Bank Limited

Bangladesh Development Bank Limited (BDBL) is a complete state owned commercial bank. BDBL started operation since 3rd January 2010 combining Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Shangstha. Besides commercial banking this bank provides financial and technical support to the government and private industries. The main task of BDBL is to extend loan and provide advise to the entrepreneur for rapid industrialization in the country for setting up new industries, modernizing existing industries, changing of machineries and expansion of business and patronizing agro based industries.

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The mentionable assistances provided by BDBL are as follows:

a. Priority of the Small Entrepreneur

It is undeniable to acknowledge the role played by the small and medium enterprises (SME) for the total economic development of a developing country like Bangladesh. The sector being labor intensive can immediately contribute to increase national income and employment generation. SMEs are called 'Employment Generating Machine'. Between the small and medium enterprises in our country; entrepreneur and entrepreneurship for small enterprises have more potentiality for employment generation, reduce unemployment and ensuring economic growth. In this connection, as per direction from Bangladesh Bank, the branches of BDBL extends 40% loan favoring small entrepreneurs of their total loan budgeted for SME sector. The rest amount is distributed among the medium entrepreneurs.

b. Prioritizing the Manufacturing and Service Sector: Bangladesh government has given priority to manufacturing and service industry over trade to ensure employment generation and enhancement of production. As a result, the branches of BDBL have to make loan favoring manufacturing industries and agro based service industry.

c. Priority of the Women Entrepreneur: Any woman who is proprietor of sole proprietorship firm, partner in a partnership firm and owner of 51 % share in Joint Stock Company, can be called a women entrepreneur. 50 percent of the total population in Bangladesh is women. Involvement of the women in to the mainstream of economy is necessary for sustainable economic development of the country due to existing population structure. Our women have honesty, interest, creativity and work efficiency. Specially, their activities in micro credit and continuous participation in garments industry has a vital role for industrialization. For this reason, BDBL has been extending more loan facility with simple terms for the small and medium industry women entrepreneurs.

Commercial Banks

The four nationalized commercial Banks (Sonali, Janata, Agrani and Ruapli) and Bangladesh Krishi Bank with help of their branches all around the country have been providing financial services to industry and business entrepreneurs. Specially, they have taken initiatives to quicken the expansion of small and medium enterprises and business with a view to the development of labor intensive and employment generating economic development. The Sonali Bank Limited as a development partner of the government has been providing various

services to sole proprietorship, partnership, private limited companies and public limited companies for the development of SME sector. The loan limit varies from Taka 50 thousand to Taka 10 crore depending upon the nature of industry or business. The term of the loan is fixed on the basis of the project. The tenure is one year for working capital and three to seven years for term loan. The prerequisites to avail the loan are as follows:

- The entrepreneur must have two years of experience
- The entrepreneur must be sound, educated and age should be between 18 to 60 years
- Defaulters, Bankrupt, Insane and dim-witted can not apply for the loan
- The entrepreneur should be Bangladeshi
- Women entrepreneur will be given priority

Bangladesh Small Industries & Commerce Bank Limited -BASIC

BASIC Bank Limited was incorporated in 1988 under the Company Act 1913 of Bangladesh and commenced its business from 31st January 1989. At present, it has been operating under the Bank Companies Act 1991. Though, the bank was established for financing the small enterprises, at present it provides both commercial and developmental services. As per Articles of Association of the Bank, it is committed to invest 50% of its allowable fund to the Small and Cottage Industries. The Bank is mainly financing the entrepreneurs of Small and medium enterprises. The sectors are mainly Ready Made Garments and Agro Based Industries, such as Poultry, Engineering, Food and Food Based Industries, Chemical Industries, Pharmaceutical Industries, Paper and Board Mills, Printing and Packaging Industries, Leather and Jute Industries. A chart of industrial loan provided by BASIC Bank limited for the last several years is given below:

Year	Crore Taka
2005	998.75
2006	1224.35
2007	1390.14
2008	1722.64
2009	1782.54
2010	2777.79
2011	3332.31

Source: BASIC Bank Limited

Bangladesh Industrial Technical Assistance Centre -BITAC

This institution has been established for industrial development and economic changes specially to increase the industrial production. Assistances provided by this organization are training for developing technical and managerial efficiency, introducing new machineries and design and advising to solve problems in installation of new machineries. Besides, it has publications, seminar, group discussion, fair and movie show for spreading the technological knowledge. BITAC has been operated through its four regional office. The centers are located at Dhaka, Chittagong, Chandpur and Khulna. At present, work is going on to set up another center at Bogra.

Bangladesh Council for Scientific and Industrial Research

Bangladesh council for Scientific and Industrial Research has been established in 1973 to become self sufficient in industrialization. The main objective of the council is to research on the problems related to science, industry and technology for setting up new industry, to encourage new research and provide consultancy in operating research. The council invents and innovates new things in industrial sector, provides guideline for scientific and industrial research, innovates new product and process. An entrepreneur can commercially produce the invention or product invented by the council and contributes to the production.

Directorate of Youth Development

Directorate of Youth Development under the Ministry of Youth and Sports operates many activities for the self-employment of youth and women. The directorate has many training institutes all over the country. Various training on such as small business, agricultural farm, Horticulture, Apiculture, Cattle raismg, Aquaculture, computer learning, office management, sewing and embroidery are given to the educated and less educated youths. Besides, it also arranges to supply capital at a low interest.

Directorate of Women Affairs

The directorate of women affairs provides various training and credit facilities to the women entrepreneurs of towns and villages for their prospect of creativity, self¬employment and empowerment. Their training includes poultry farming, cattle raising, handicrafts, boutique works, sewing, weaving, etc.

Non Government Organizations –NGOs

Non Government Organizations are playing a significant role for development of entrepreneurship. These organizations help the poor and lower class people from villages to be entrepreneur. Among the numerous NGOs in Bangladesh, the role of BRAC is most important.

Bangladesh Rural Advancement Committee – BRAC

BRAC is the largest NGO in Bangladesh as well as all over the world as per statement made in 2010. After our independence, this organization was established in 1972 under the leadership of Mr. Fazle Hassan Abed. At first it was working on grants and rehabilitation only. But, now it is working with various programs on poverty alleviation and women empowerment. At present, it is working in all 64 districts in Bangladesh. The activities performed by BRAC for the development of entrepreneur are as follows:

1. **Activities to develop small industries:** Activities include weaving, poultry farming, furniture making, oil producing, molasses manufacturing, rope making, making things from bamboo and cane, rice making
2. **Development of Associate Organization:** Under this program the land less people are organized through project planning, implementation, management and distribution activities.
3. **Developing the Manufacturing Unit:** The quality and production of village based industrial product are developed through art design and technology. Besides, BRAC is also working to develop the traditional crafts such as Silk, Jamdani, Nakshi katha etc. BRAC has its own dairy farm and chain shop (Aarong).

Various Items of BRAC operated Aarong

Micro Industries Development Assistance Service - MIDAS

As a private development organization MIDAS provides financial, technical and management related assistance to the entrepreneur of the small and medium enterprises. Overall activities of MIDAS are –

1. Extending loan facility to small and medium industries
2. Providing training, information and advice to the national, multinational, government and non government organizations.
3. Continuing investigation and research in business
4. To increase the network of cooperation among entrepreneurs.
5. Assisting in marketing of goods produced by small and medium enterprises to national and international market

Proshika

Proshika has been contributing a lot to the development of small industries in Bangladesh. Proshika has been introducing many new profession related to Agro Industries, Weaving, Silk producing, Handicrafts, Cattle raising, Bee hiving, plant growing etc. The entrepreneurs who have come forward in these jobs, Proshika has provided them with training and loan.

Thengamara Mohila Sabuj Sangha-TMSS

Thengamara Mohila Sabuj Sangha-TMSS started work in 1980 in northern district Bogra. At present its work has spread all over the country. It mainly provides loan assistance, training and self employment to poor and landless women. It also provides loan assistance to small entrepreneurs for grocery, poultry farming, fish cultivation, horticulture and cottage industry.

Various Assistances as per Industrial Policy 2010

Motivating	• Adoption of various activities for the development of entrepreneurship culture so that both the men and women can identify themselves as an agent for changing the economic condition of the society. • Acknowledgement of the successful entrepreneurs, To observe National Entrepreneurship Day, inclusion of entrepreneurship development in the curriculum of school, college and university • Subject related to nation building and development should be included in the curriculum of primary and secondary

	level and motivating them to make the youth of the country aware of the different aspects of life struggle, development of the country and success, limited infrastructural asset with a view to developing human resources at the primary and secondary level of education.
Supporting	• To award the inventor of new technology to ensure addition of new technology in the industry for additional development of industrial products. Technical training, technology invention, technology development, transfers of technology and selecting appropriate technology and implementing them with a view to assisting the factories with strengthening the BITAC and other organizations. • To create opportunity to work simultaneously of the local machineries manufacturer and technology based institutions to ensure easy availability of local and appropriate technology at a cheaper rate for the local investors especially investors of micro, cottage and small industries. • To provide tax holiday as the following ways to the companies which have started commercial production within 30.06.2012: i) Industries established in Dhaka and Chittagong (excluding districts in the hill tracts) division shall enjoy tax holiday of 100% for first two years, 50% for the next two years and 25% on the last year. ii) Industries established in Rajshahi, Khulna, Sylhet, Barisal and Rangpur Division and Districts of Hill tracts Tax Holiday is seven years. 100% Tax Holiday is for the first three years and 50% for the next three years and 25% for the last year.
Preserving	• To give priority to the women entrepreneur in the service sector such as ICT, Laundry, Tourism, Beauty Parlor, Advertising Firm, etc. and other sectors like Aquaculture, Agro and Handicrafts, Live Stock raising, and Food Processing etc. • To provide special incentives to assist in small, medium and cottage industries, protecting weaving industry, establishing Silk Palli like Benarasi and Jamdani Palli. More over, assistance to be provided to the weavers, Black smith, potter, pottery, bamboo, cane, tama, kasa and pati industry.

EXERCISE

Multiple Choice Question (MCQ)

1. Which one is Supporting Assistance?

a. Advising b. Providing Information
c. Supply of Capital d. Modernization of Business

2. Why people do not want to come forward to establish industries?

a. It requires creativity b. The task is formal
c. Risk is to be taken in this job d. It requires own capital

After reading the following paragraph, answer question No. 3 & 4:

Mrs. Nishat Afrin of Sylhet started a project in 2011 to make household utensils with bamboo and cane. While being in the production process she faced financial difficulties and took loan from a financial institution. Because of having Tax Holiday facility, her business started improving day by day.

3. What is the amount of Tax Holiday for Ms. Nishat Afrin on her income in the year 2015?

a. 100% b. 75%
c. 50% d. 25%

4. With the assistance from the financial institution-

i. Women entrepreneur in the country shall increase
ii. Development of large scale industries will be ensured
iii. Economic development of the country will be achieved

Which one of the following is correct?

a. i & ii b. i & iii
c. ii & iii d. i, ii & iii

Creative Question

1. Mr. Mehraj did not want to establish and operate a business considering the risk and complexity associated with it. But, after hearing about the government and non government assistances, he established garments factory at Savar near Dhaka. He became successful within short time with the help of his hard work and sincerity. Recently, it has become difficult for him to sustain because of his competitors using high quality technology.

a. What is the percentage of women in the total population of Bangladesh?
b. What is the main job of BSCIC? Explain

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c. Why does Mr. Mehraj become interested to set up the garment industry? Explain.

d. Does Mr. Mehraj need any assistance? Give logic to your answer.

2. Ms. Saima Hoque used to perform challenging jobs from her childhood. She established a 100% export oriented modern factory name 'Saima Food Products in the Narayangonj BSCIC Area after completion of her studies from University. She has taken financial and technical support from an institution. At present, 300 people are working in her factory.

a. What is the elaboration of BSCIC?

b. Explain the main task of the Directorate of the Women Affairs.

c. What government organization is engaged to support the entrepreneurs like Ms. Saima? Explain.

d. Evaluate the role played by Ms. Saima for the over all economic development of the country.

CHAPTER ELEVEN

Ethics and Social Responsibilities in Business

The main objective of business is generating profit. However, it has to maintain some ethics and social responsibilities as well. As a part of the society, the entrepreneur and business organization has to bear in mind and uphold the idea of social values, morality and positive attitude towards society. In this chapter, we shall learn about the different aspects of ethics and social responsibility of a business.

After reading this chapter, we shall be able to –

- Explain the concept and importance of business values, and ethics
- Explain the concept of social responsibilities in business.
- Explain the mode of responsibility towards state, society, buyer and worker.
- Explain the features and effect of air pollution, water pollution, sound pollution and land contamination due to business.
- Identify the social responsibilities of business in preventing environmental pollution.
- Describe the various types of development works of social responsibilities of different business.

Concept of Business Values and Ethics

The concept of values and ethics are indispensable to each other. Value is the wisdom and attitude of the society which is treated as valuable and eligible to be followed by others. Values and ethics help a man to differentiate between justice and injustice, right and wrong, good and bad, etc. It indicates the positive, wellbeing and goodness of human life. Ethical principle means the ability to differentiate between good and bad, justice and injustice, do's and don'ts etc. It is really necessary to follow the ethical standard of the behavior of people to form a happy society and country as a whole.

Ethics

The word ethics has evolved from the Greek 'Ethos' which means the standard of human behavior. Ethics is related to our daily activities. We know that the responsibility of a teacher is to teach the students properly. This is not the end. He has to ensure whether the students understand the lessons. He should also look after the attentive-inattentive students, to examine the home works of the students and make correction if there is any mistake; all these tasks are included in his ethical responsibilities. Like a teacher a student needs to be followed some ethics; such as going to school in time, doing home work and follow the ideology of the teacher. Ethics means the capacity of analyzing the good and bad and accepting the right things. It is the part of ethics to carry out responsibilities by the teacher and student properly.

Business Ethics

In a business there are lots of task related from the very beginning to the operational level. To proceed with the tasks with proper, decent and correct measures, ethics works as a guideline for this. Besides, the business ethics or ethical value helps us to be well behaved in the business world.

Business is a social institution. A business organization is formed and continues to meet up the demand for various goods and services for our daily use. An entrepreneur or businessman sells the products to the consumers with addition of profit with the production cost or purchase price. Profit is the difference between the selling price and buying price or selling price and production cost. If any body creates an artificial demand for a product to gain extra profit, then it will go against ethics. There are some ethical values in operating a business. The pricing of the product should be fixed in such way so that the seller can make profit along with keeping the price within the purchasing power of the buyer. On the other hand, the business person should not supply

such products which are harmful for the society. It means that business should be operated through maintaining the interest of the stakeholders. Other ethics of business are as follows:

- To maintain honesty
- Not to produce and market harmful products
- Not to cheat with the customer
- Not to sale expired product and goods
- Not to make any artificial scarcity of products
- To follow the commercial and industrial law of the state
- Not to pollute environment
- To contribute to the welfare of the society.

Necessity of Business Values and Ethics

In our country, making excessive profit and illegality in business is increasing day by day. Ethical practice in business in Bangladesh is not satisfactory. Every day we can see a lot of negative news in the dailies related to business. For example we can say selling of dead chicken, contaminating food, producing and selling of low quality products, cheating in weight, fish and fruits with formalin, mixing of harmful colour in food, dangerous for health, giving false and exaggerated information of products, using low quality of products in construction, contaminated medicine, plying of vehicles ineligible to run on the road. The impact of these unethical activities is severe. A number of children have been becoming sick and dying from tainted fake medicine. People are getting diseased from eating various poisonous foods. If this unethical activity of businessmen is not stopped immediately; very soon we shall find ourselves in an ailing society. The result of which will be devastating. For the following reasons necessity of business values and ethics are immense:

1. Man is the best creation of God. Unethical activities and attitude is not expected from them.
2. A businessman lives on selling manufactured or supplied goods. It is their ethical obligation to supply right goods and services
3. At present, people are falling sick of complex and severe diseases from eating contaminated foods. It has a dire impact. Only, business ethics can save us from this dire situation.
4. Medicine contamination causes death in many cases. The ethical mentality of the manufacturer of medicine can save from this devastating consequence.

5. Business is a social institution. It is responsible to look after the good – bad, welfare of the society.
6. Though, generation of profit is the main objective of business, it has some social responsibility as well. To avoid the social responsibility is not good for the business.
7. To carry out social responsibility is obligatory for the development of business
8. The role of ethics is immense to maintain and operate the business with sound and proper way. The decision of the business are correct if the general rule for ethics are followed.
9. Though, temporary financial gain is possible from unethical activities of the business its result is never good. There are many businesses that have gone astray by getting involved in unethical works though they made a good stant.
10. Everybody hates the businessman involved in unethical activities. There is no alternative of respect and honor for the businessman other than availing ethics and right path-ways of business.

Concept of Social Responsibility and Its Importance

The social responsibility of business means to contribute to the well being and welfare activities of the society along with earning profit. From ancient times, the objective of the business has concentrated on profit only. But, the concept has been changed now. Business is a social organization. Its activities also revolve around the society. To estimate the demand for goods and services and manufacture and supply them accordingly to meet up the demand are the main activities of business. To live a sound life there are some more demands such as education, health service, entertainment etc. It is the duty of the government to arrange to supply the expensive necessities for the people, since individual can not arrange to supply them because of the incapacity. Recently, some business organization are coming forward to perform various public welfare task like establishing schools, college, hospital, providing scholarships to the meritorious poor pupils, etc. Since business is a social institution, its existence and profitability largely depends upon the support of the mass. Carrying out social responsibility is the ethical responsibility of every business.

In real sense, a business person is a creative and well aware member of the society. He is creative, mindful and effective. He has the right to receive something form the society and similarly he has some responsibility to give something back to the society. If he spends a part of his earned profit for society it will increase his honor and status in the society.

Activity-1 (group work): what are the reasons for businessmen to carry out social responsibilities?

1.	
2.	
3.	
4.	
5.	

Case Study

Abul Kashem is an intelligent, brave, trustworthy and honest young man. He plays a role to organize every program in his society. He used to visit a pharmacy on his way to school while studying. Sometimes, he used to help the owner of the pharmacy in various tasks. In this way, he acquired some knowledge on pharmacy business. He failed to continue his studies after SSC. So he sold some ornaments of his mother and started a pharmacy with a small amount of capital. He remembered some advises from his father such as 'Never deceive a person, 'Give honest advice, if sought by anyone' 'Never tell lies' 'Respect your elders' 'Help the destitute'. Abul Kashem always followed ethics in operating his business. He always gave good advice to patients about good doctors. Many patients with complex diseases have been benefitted from his advice. Besides, he used to sell genuine medicine. He never tried to make more profit by taking higher price or selling duplicate medicine. For all these reasons, his profit grew rapidly and he became reputed as an honest business person. Besides, his business also prospered.

After a period of time, his son, Abdur Rahman took responsibility of the pharmacy. But, out of his greed, he started to sell duplicate medicine. Many people suffered from buying medicine from his shop. He gained disreputation within short span of time as a dishonest businessman. Gradually, the business lost its fame and had to be shut down.

Activity -2 (Team work) : Try to differentiate between Mr. Abul Kashem & Abdur Rahman on the basis of their business activities
• • • • •

Social Responsibility of Business to Various Stakeholders

In this competitive business world, the business person has to carry out responsibility to various stakeholders along with maintaining sustenance as per profit growth. The stakeholders of business are state, society, buyer, worker etc. These parties are involved with the business by some means.

Responsibility to State

The objective of the state is to ensure that business is done protecting the interest of the people. Government is happy if demand for goods and services of mass is met through establishing business and developing employment as well as providing tax regularly. The following responsibilities are to be carried by the business to the state:

a) To pay Tax to the government regularly
b) To follow the rules and regulations properly
c) To contribute for employment generation and economic development

Responsibility to the Society

The business is developed from enjoying various facilities from the society. So, business has to carry out the following responsibilities favoring the society.

a) Producing quality products and supply them as per demand of the society.
b) Creating opportunity for employment generation
c) Assisting in various public welfare works
d) Stand by the people at natural calamities
e) Safeguard the environment from pollution
f) Not creating artificial storage of goods for making artificial scarcity to make extra profit.

Responsibility to Customer and Consumer

The success of business depends upon the trust and cooperation of buyer and consumer. So, the businessman has to carry out the following responsibilities:

a) To keep product market stabilized
b) To Supply quality products
c) To make products easily available
d) To provide various information on products and market

Responsibility to Employees

The profit of the business is earned through the untiring effort of employees and staffs. Thus, business can not be operated ignoring their interest. With the progress of business their salaries and wages should be increased, bonus and increment to be awarded and as a whole their condition should be improved. A business person has to perform the following responsibilities towards the employees:

a) To provide proper wages and financial benefit.
b) To provide job security
c) To ensure suitable working environment
d) To arrange training and promotion
e) To arrange for residence and treatment

Social Activities by Different Business Organization

Though for many decades, the social responsibility of business has been disregarded, now a days, many organization of home and abroad are coming forward for social activities. Various banks and Mobile operators are stepping forward to carry out social responsibilities. Dutch-Bangla Bank, Prime Bank, Islami Bank, Teletalk, Grameen Phone, Robi, Banglalink, Citycell, Airtel; such organizations are contributing for the social development through working on poverty alleviation, providing educational expenses for poor meritorious students, awarding scholarships and providing financial assistance for the development of games and sports. Some organizations are coming ahead to explore the genius among the youth. In Bangladesh, the tendency of corporate social responsibility has started recently. Bangladesh is hopeful that the profit oriented entrepreneurs of our country will come forward to carry out the social responsibility more and more in the future along with operating business.

Environment Pollution and Business

River Pollution from the industrial wastage

The main disadvantage of business especially of industry is environmental pollution. Industrial wastage and liquids are polluting the river and canal water. Because of contamination, water becomes toxic for the things living under water including fish. On the other hand, throwing wastage here and there, and fumes from the vehicles pollute air. Factory machine and generator with their awful noise cause serious sound pollution. Besides, in the name of industrialization trees are cut down and hills are planed without any limits and environments are polluted. In the name of land development for residence, filling up the canals and water reservoir for residential purpose, river erosion, operating the ineligible vehicles in the roads and extensive use of air conditioning machineries are responsible for environmental pollution. For this reason health hazard is increasing and on the other hand living creatures are being seriously endangered.

Government has introduced new law to reduce pollution. But, lack of proper implementation of the law the level of pollution is increasing day by day. Lack of awareness about the effects of pollution, disposing wastage here and there and flawed sewerage system are also responsible for environmental pollution.

Besides these it is necessary to increase awareness through mass media, proper application of law, developing wastage management and inclusion of course on environmental pollution in the curriculum, if we want to make us safe from the environmental pollution.

Responsibilities of business Organizations in preventing environment polution:

Wastages are being emitted from every industry. For example, lather industry, and dying industry use chemicals which are harmful for environment. These harmful wastages should not be thrown in flowing water of the rivers, canals and ditches. In this case the owners and the businessmen should ensure about wastage management while operating and during the time of establishment of industries. For this, establishing waste treatment plant should be ensured for every industry.

Activity-3 (Group based) : Find out the reasons for Air Pollution, Water Pollution, Sound Pollution and Land Pollution by business and its impact on environment.	
Reasons for Air Pollution • • •	Impact on the environment • • •

Reasons for Water Pollution • • •	Impact on the environment • • •
Reasons for Sound Pollution • • •	Impact on the environment • • •
Reasons for Land Pollution • • •	Impact on the environment • • •

EXERCISE

Multiple Choice Question (MCQ)

1. What kind of organization the business is?

a. Economical b. Social

c. Political d. Family

2. To sustain in the business in the long run, the businessman needs -

i. To earn extra profit

ii. Pricing the products perfectly

iii. Supply quality products.

Which one of the following is correct?

a. i & ii b. i & iii

c. ii & iii d. i, ii & iii

After reading the following paragraph, answer question No. 3 & 4:

Mr. Fahim set up a leather based industry name "Tasnim Hide & Skin" in the populous area at Agorpur in Kishoregonj. Since, the factory did not have appropriate wastage disposing system, all ran towards the water reservoir. But, he arranged residential facility for the workers nearby the factory and pays government tax regularly.

3. By paying taxes regularly, Mr. Fahim is carrying out responsibility to which party?

a. Society b. State

c. Buyer d. Worker

4. The result of establishing the factory 'Tasnim Hide & Skin'-

i. The standard of living of the people will increase

ii. There will be an adverse impact on the agricultural land of locality

iii. The living creatures in the water shall extinct

Which one of the following is correct?

a. i & ii b. i & iii

c. ii & iii d. i, ii & iii

Creative Question

1. Shahid earns limited profit from his business doing with transparency. On the other hand, his friend Nadim earns huge profit by selling contaminated and low quality products to the customer. The buyers always gather in front of Nadims shop because of his glittering products. Though, Sahid earns less than Nadim; he is mentally very happy.

a. What is the meaning of 'ethos'?

b. 'Not to storing of products' what kind of responsibility it is? Explain

c. Explain the reason for Sahid's self satisfaction.

d. Is it possible for Nadim to sustain in the long run though he is earning huge profit at present? Give your opinion in this regards.

2. Mr. Ali decided to set up a pharmaceutical company named "Nayeem Pharma" in the forest area of Gazipur by cutting the trees on 500 acres of land. Later, with the advice of an environmentalist friend, he established the factory on a nearby vacant place. Medicines produced in his factory are exported abroad after meeting the demand of our country. Around 2000 people are working in is factory.

a. Black smoke exposed from mills and factories pollutes what elements of the environment?

b. What do you understand by ethics in business?- explain.

c. How "Nayeem Phrma" is helping to develop the standard of living? Explain.

d. Evaluate the first decision of Mr. Ali for setting up the factory.

CHAPTER TWELVE

Lessons to learn from the Lives of Successful Entrepreneurs

Though from the time beyond remembrance, the industry and commerce in our country has been bearing rich tradition and pride, its contribution to the economic development is not so bright. A few Bengal is name become successful in business before independence. Mainly, the Bengalis got the fullest opportunity for doing business after the Liberation War in 1971. During the last 40 years, several entrepreneurs have proven their superiority in business entrepreneurship with starting business in smaller scale and now their businesses have been contributing significantly to the socio-economic development of the country. In this chapter, we shall discuss the lives of some successful entrepreneurs including two most reputed figures in the business arena of Bangladesh; Mr. Jahurul Islam and Mr. Samson H. Chowdhury. We, all shall be motivated from their lives and activities.

After reading this chapter, we shall be able to –

- Describe the important aspect of the lives of Mr. Jahurul Islam and Samson H. Chowdhury
- Describe the business organization formed by Mr. Jahurul Islam and Samson H. Chowdhury
- Mention the names of the Companies and social and public welfare related activities of Mr. Jahurul Islam and Samson H. Chowdhury
- Describe the story of Mr. Jahurul Islam and Samson H. Chowdhury; of becoming entrepreneur.
- Identify the learning aspects from the lives of the entrepreneurs
- Make report on the local successful entrepreneurs

Jahurul Islam (1928 -1995)

One of the most successful entrepreneurs in Bangladesh is Mr. Jahurul Islam. He is one of the most reputed figures in the arena of business, industries and commerce of Bangladesh after the independence. He had the qualities like business talent, hard work, visionary and creativeness. He was born at the vallage of Bhagalpur, in Bajitpur upazila in Kishoregonj district in 1928. His father Late Aftab Uddin was normal contractor in Mymensing District Board. His mother's name is Mrs. Rahima Akhter Khatun. He was second among his five brothers and three sisters. His uncle was the Oversheer of Kolkata Power Development Board. He completed primary education from the local primary school and went to the Sorarchor Shibnath High School for his secondary level education. Then he took admission at Bajitpur High School. After some times, he went to Kolkata with his uncle Mr. Murshed Uddin. He completed Matriculation from the Ripon High School of Kolkata. He attended the I.A. exam from the Horogonga College of Musnshigonj in 1948, but could not pass it. His formal education came to an end because of adverse surroundings and responsibilities and liabilities of his family. He joined the C & B Department as an Work Sarker with salary of only taka seventy seven to remove the financial insolvency of the family. Later, he was promoted to the post of Lower Division Clark of the same department. He was influenced by his uncle's job and father's business as a contractor. After two and half years in 1951, he left the job and enlisted himself as a third class contractor. He established a company named Bengal Development Corporation Limited and fully started his business with a capital of only 3/4 thousand taka. His hard work and sole attention to the business and cordial attitude gradually made him a successful entrepreneur and one of the richest persons in the country. At the very beginning of his life as a contractor, he completed the construction of Kishorgonj Post Office. Afterwards, he did the road construction from Gulistan to Tikatuli in Dhaka.

Because of honesty in the business and quality of his works, he became second class and subsequently first class contractor by 1953. He was interested in all types of construction. He had investment in Housing, Roads, Bridge, Irrigation System, Sanitation etc. He used to acquire knowledge form his works and applied them in his subsequent works. With his visionary power, he realized that the surrounding area of Dhaka city shall get populated and the demand for the land shall increase. For this reason, he bought vast area of land in Dhaka, Mirpur, Savar, Joydevpur and Kaliakoir, He used those land for setting up industries and housing. Day by day, the value of his investment was increasing with the increase of land value. During 1960, he established a timber factory at Chittagong and a glass factory at Gingira in Dhaka. He established a housing company named Eastern Housing Limited in 1964 to meet up the increasing demand for the residential purpose, the company is now one of the renowned name in the housing industry of the country. All the companies are known as Islam Group of Companies which was established in 1965. The group includes Eastern Housing Ltd., Navana Ltd., Millners Limited, Essential Products Limited, Dhaka Fibres Limited, Crescent International Limited, Navana Sports Limited, Dhaka Re-Rolling Mills Ltd. Aftab Automobiles Limited, Aftab Dairy Limited etc. People more than one lac are working in various organization established by him.

Hard work, honesty, sincerity and confidence all these qualities made him a successful man. The identity of this extraordinary son of Bengal is not limited to as an industrialist. He was a social reformer, successful organizer and model of efficient manager. All his achievement was possible because of his hard work and sincerity. Not only investment and employment generation, but also his activities of social responsibility covered various contribution to the society including education, health, food, banking, agriculture and sports. He established many shelters for the destitute, institutions for kids, madrasa and school. 350 bed Jahurul Islam Medical College & Hospital established by him at Bajitpur is the largest private medical college in Bangladesh. Besides, establishing Nursing Training Institute and Jahurul Islam Education Complex is his worthy deeds. He had also contributed in many ways to the great Liberation War in 1971. The life of this work hero ended on 19th October 1995.

Jahurul Islam Medical College & Hospital, Bajitpur, Kishoregonj

Activity-1 : Identify the characteristics of the successful entrepreneur Mr. Jahurul Islam which have attracted you and how you will practise those in your life?	
Special qualities of successful entrepreneur Mr. Jahurul Islam	Ways to practice those in own life
• • •	• • •

Samson H. Chowdhury (1930-2012)

Public well wisher and the Chairman of the Square Group, Samson H. Chowdury is the unforgettable name in the history of industry and commerce of Bangladesh. He was born on 25th September, 1926 in the Faridpur District. He is the son of E.H. Chowdhury and Latika Chowdhury. His father was a medical officer of outdoor dispensary. He studied from 1930 to 1940 in the Bishnupur High School in Kolkata. He attained Senior Cambridge Degree from there. Then, he obtained Diploma in Management from the Harvard University

School. After finishing his studies, he got back to his village Ataikula in Pabna. From the very boyhood, he was involved with various medicines because of his fathers profession. After thinking a lot, he decided to take the business of pharmacy or medicine shop as a profession. He started a small shop in the village market. The time was 1952. In 1958, he got the license to set up medicine factory. He, along with his three other friends providing Tk.20,000 each; with capital of total taka 80,000.00 and 12 workers, they established 'Square Pharmaceuticals Limited'. The first medicine produced in their factory was blood refining 'Aston Syrup'. They had to purchase raw materials from the local importer at a very high price. They never compromised with quality. Only because of the quality of the medicine, the doctors used to prescribe it. At that time, their medicine became more demanding than that of the reputed firms. He dreamed of square to be a large company. With this dream in mind, he advanced forward against all the odds gradually, capitalizing his immense zeal and courage. His small initiative has now turned into vast Square Group of Industries due to his hard work, honesty and discipline. At present, approximately 30000 workers are employed there. Not only medicine, this group has expanded its business to cosmetics, textile, agro based products, technology, healthcare, media, etc. Products of Square have spread all over the world. The quality of the product is acknowledged both in home and abroad. The medicine of Square is being exported to 50 countries. He was the Chairman of MasRanga Television, one of the reputed private television channels in the country. Besides, he was the Chairman of the Metropolitan Chamber and Society of Medicine Industry. He was also involved with the International Chamber and Commerce, Bangladesh. Shova Odhikary has written about him "He was the owner-manager, accountant, typist, clerk, worker and medical representative in a row". There is no work that he has not performed. He untiringly moved around the market, towns, cities, ports of the country for marketing his medicine. Now, Square is a proud name after passing many ups and downs over the period. Square Group had been selected as the Best Tax Payer for the year 2009- 2010 by the National Board of Revenue.

Various products manufactured by square are used in every home. The product of square has been adored in both home and abroad due to its standard, competitive price, quality and discipline in work. The addiction of creativity has made Samson H. Chowdhury a successful industrialist and triumphant entrepreneur. With his untiring effort and passion, he established industries one after another. At present, among different institutions of Square Group: the

mentionable names are Square Pharmaceuticals, Square Toiletries, Square Textiles, Square Holdings, Square Spinning, Square Consumer Products, Square Knit Fabrics, Square Fashions, Square Herbal and Naturals, Square Hospitals, etc. This entrepreneur has mentioned patience, perseverance and honesty as the basis for his success in interviews with different media. He believed that highest level of values and practice of ethics has put Square to the trust of people. He thought that the key to success was the smooth relation and combined effort of the worker and entrepreneur. There was never any labor umest in the organization of this labor friendly entrepreneur. The life of this great active person ended on 5th January 2012 at the age of 86 years. His spouse name is Anika Chowdhury. His three sons Tapan Chowdhury, Anjon Chowdhury,Swapan Chowdhury are established in their own business.

The famous Annoda Govinda liabrary at Pabna patronized by Samson H. Chowdhury

Awards and Acknowledgement

In 2010, government declared 42 persons as Commercially Important Person -CIP for their contribution in establishing industry, production, employment generation and contribution to the increase of national income through private sector. Samson H. Chowdhury was one of the eighteen large groups of industries. He was awarded 'Business Man of the Year' by the Daily Star and DHL in 2000 and 'Business Executive of the Year' in 1998 by the American Chamber of Commerce.

Activity-2 : Identify the characteristics of the successful entrepreneur Mr. Samson H. Chowdhury which have attracted you and how you will practice those in your life?	
Special qualities of successful entrepreneur Mr. Samson H. Chowdhury	Ways to practice those in own life
• • •	• • •

Shahida Begum- Entrepreneur from Housewife (Intrepreneu)

Shahida Begum is the proprietress of Liberty Gents Tailors in Barisal. She started her business out of necessity, not from hobby or planning. She never thought of doing something like this. She did not have the experience too. When she started the business she faced a lot of difficulties. But strong determination and hard work has brought her success and honor. She started to make cloths for men and is still doing it. Shahida Begum has been residing in Barisal. Her days were passing peacefully with her four daughter and husbands' tailoring business. But, suddenly her husband became sick. He passed away in 1997 leaving them to survive alone.

Shahida Begum was blinded with shock as to, how she will manage the coming days? What will be the future of her daughters? She knew nothing except the household jobs. She does not understand business either The condition of her husband's Gents Tailors near Barisal sadar hospital was not good. All their savings was depleted because of her husband's sickness for many days. A little amount of ornaments was her last resort. She started the business with 50000 taka by selling her ornaments. Then, there were only two worker in the shop. She learned tailoring from them.

At first, the gents customer, family members and relatives; no body took this positively. But, she did not lose hope. She formed a modem gents tailor by controlling all odds with her strong determination and confidence. In this way, she became a business entrepreneur from a housewife. She received an award as a successful women entrepreneur in 2008 from the SME Foundation.

Abul Kalam Azad: Owner of Azad Products

The fist business he started was with a capital of four hundred and fifty taka. Gradually the business became a large organization. At present, he is the owner of 'Azad Products' the famous organization of the country. His name is Abul Kalam Azad. It is the time of 1970. After the SSC exam, he went to market with his father to buy Hilsha Fish and Jack Fruit in exchange of Jute. He found there a way of making profit by selling coconut and with the help of his cousin and capital of taka 450; he started the business. This was the turning point of his life. He used a small boat to carry coconut from one market to another. After a period, he migrated to the city to do something more. The struggling life began. All round the day, he used to walk by the road and dream. He found a way too. He saw a person selling poster in front of Baitul Mokarram and got an idea. After collecting necessary materials, he started 'Azad Poster House' a very smaller size business. He used to sell poster by hanging them on post in front of the L. Rahman Jewelers. Some people mocked at this and some body encouraged. After huge effort, he managed to make poster and view card of the hero and heroine of TV and cinema. The general people of the country accepted the glittering poster of the famous stars. After this, he never had to look back. The floating shop has been turned in to a large organization Azad Products. Abul Kalam Azad says that his hard work and blessing from his mother has made him successful. For this reason, to show honor to all the mother of the world, he has started 'Rotnogorva Ma Award' since 2003. This award is given to those mother having at least three established daughter or sons. One of the objectives of this award is to create awareness among mothers. The award giving ceremony is arranged every year on 'World Mother's Day'.

Lutfa Sunjida: Successful Entrepreneur in a Careworn Life (Intrepreneu)

The owner of the Aunindya Boutique and Parlour at Halishahar in the port city Chittagong is Lutfa Sunjida; Who started her business with taka fifteen thousand only and now has enlisted her name in the list of millionaires. She has

established the boutique and the parlor steadily with strong determination and patience. To struggle is the main principle of her life. Without continuous effort, it would not be possible for her to reach the present situation by any means. When there were any problems, she overcame those with patience and hard labor. She had to join part time job when she was a candidate for SSC exam in 1988. She used to make baby cloths and Punjabi and sell them to the local market. She opened a showroom at Chawkview Super Market in 1989 by borrowing thirty thousand taka from her cousin. That was the turning point of her life. Sales of the shop was satisfactory from the very beginning. She opened another showroom at Chittagong Shopping Complex by availing loan of fifty thousand taka from Chittagong Midas. Her business was booming. Her family started to become solvent. In 2004, she started a Beauty Parlor. Support from her organization 'Anindya', hard work of the workers and spontaneous presence of the buyers have encouraged her to step forward.

As a part of carrying out social responsibility of business, she always tried to stand by the poor and destitute. She tries to generate employment through providing free training for handicapped women, women, abandoned by husbands and oppressed women. She will advance to long ways with her 'Anindya' along with her other dreams to fulfill.

Nayeb Ali of Bogra

The young man from Bogra, Nayeb Ali has proved that it is possible to improve ones own fate with the help of hard labor, talent and small amount of capital despite of having severe frustration and sufferings. Nayeb Ali was cheated by a manpower businessman on his attempt to change his fate from going abroad by selling his lands and borrowing from others which left him helpless. Nayeb Ali a 27 year old young man from Horihara village of Nandigram Upazila of Bogra district went abroad by borrowing more than lac taka from the village Samity. When he was helpless from loosing everything, he dreamt of living a new

life. He had a little learning but he decided to do something on his own in his village with the help of his patience and merit. His friend Mizanur Rahman and other members of his family extended their support favoring him. Most of the part of their village has canal, ponds and water reservoir. Considering this natural element, Nayeb Ali decided to rear duck. He bought 30 ducklings from a nearby village. With only one thousand taka capital he established a duck farm in his village in 2009. Though, people used to mock at him for losing money for his abroad mission, within six month he proved himself as an ideal duck farmer in the locality. Working every moment in his farm, he won over poverty. He also proved that it is possible to be self-dependent by just farming of duck. In this way, he became not only a remarkable figure of the locality but also their light of hope. At present, he is the owner of a farm of 1000 ducks. His ducks give more eggs because of supportive environment and natural food. He refunded all the borrowed money for going abroad and also bought some pieces of land. With the expansion of his farm, he appointed two more workers. Because of this farm, ten more people have got the opportunity for earning through selling feed, snails and eggs. To see his success, many people of this locality have been engaged in duck farming. Nayeb Ali has a dream that his village shall be a remarkable one in self-employment. This is to be attained through proper training about poultry farming.

Activity-3 : Identify the characteristics of a successful entrepreneur in the mentioned four persons	
Shahida Begum	Abul Kalam Azad
• • • • •	• • • • •
Lutfa Sunjida	Nayeb Ali
• • • •	• • • •

Preparing Report on Successful Entrepreneur at Local Level

The contribution of the entrepreneur for the economic development of the country is very significant. There are many entrepreneurs who started their business in smaller scale and later turned to large businessman through their hard work, perseverance and creativity. We can learn about them in many ways. But many remain unknown. Use the following format to prepare report on the local successful entrepreneur and submit it to the class. You may invite them to the class with help of your teacher at a feasible time to learn about their success story so that you can be motivated from them.

Chart to prepare the report

Name and Address of the Entrepreneur:
Back Ground of Starting the Business: (How he started the business, What was his motivation, what obstacles he had to overcome)
His First Business:
Initial Capital:
List of established Companies/Firms: (Sequenced by formation year)
Reason for becoming successful:
Description of participation in Social Activities:
Advice for the students of Business Entrepreneurship as the next generation entrepreneurs:

EXERCISE

Multiple Choice Question (MCQ)

1. Who is the founder of 'Bengal Development Corporation Ltd.?

a. Jahurul Islam b. Samson H. Chowdhury

c. Abul Kalam Azad d. Lutfa Sunjida

2. What is entrepreneurship?

i. Initial effort to start a job

ii. Initiative to set up a business

iii. Activities related to marketing products.

iv. Financing for the business

After reading the following paragraph, answer question No. 3 & 4:

Mr. Shadman is an established businessman. He spent ten lac taka to set up a school in his own village to increase the literacy rate. Fifty teacher and staffs got appointed in that school. For this reason, his goodwill will increase.

3. Out of what kind of responsibility Mr. Shadman established the school?

a. Social b. State

c. Personal d. familial

4. Entrepreneurs like Mr. Shadman contributes for the development of the country-

   i. by creating employment

   ii. by enhancing the standard of living

   iii. by developing the infrastructure of the village

   Which one of the following is correct?

   a. i & ii b. i & iii

   c. ii & iii d. i, ii & iii

Creative Question

1. Mr. Ishrak joined a pharmaceutical company as a medical representative after passing M.com. He did not like the rules of the job and working under somebody else and left the job to start his own medicine business. Later on with his labor, honesty and sincerity, he established a pharmaceutical company named 'Raj Pharma'.

   a. Who is the founder of Square Pharmaceuticals?

   b. What do you understand by risk? Explain.

   c. Which characteristics of entrepreneurship helped Ishrak to be an entrepreneur?

   d. Evaluate multi dimensional characteristics of Ishrak by establishing Raj Pharma.

2. Shyamol of Kalikochcho village simply started his business with a floating shop.He gradually established the business by working hard through day and night. Always smiling Shyamol never retreated to weariness. His dutifulness of daily life impressed every body of his locality. Now, he is a reputed businessman of the area. He is also helpful towards religious and social activities.

   a. Which year was Eastern Housing established?

   b. What do you understand by Commercially Important Person -CIP? explain. *2019*

c. What quality of entrepreneurship has made Shyamol a successful businessman? Analyze.

d. "To participate in the religious and social activities is a great virtue of an entrepreneur" – evaluate the statement on the basis of the paragraph mentioned above

The End

2019
Academic Year
9-10 Business Entre.

শিক্ষাই দেশকে দারিদ্র্যমুক্ত করতে পারে
– মাননীয় প্রধানমন্ত্রী শেখ হাসিনা

সৎ পরামর্শের চেয়ে কোনো উপহার
অধিক মূল্যবান নয়

নারী ও শিশু নির্যাতনের ঘটনা ঘটলে প্রতিকার ও প্রতিরোধের জন্য ন্যাশনাল হেল্পলাইন সেন্টারে
১০৯ নম্বর-এ (টোল ফ্রি, ২৪ ঘন্টা সার্ভিস) ফোন করুন

Ministry of Education

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